Ad spending of '100' edges upward

100 Leading National Advertisers spent $28.4 billion in U.S. advertising in 1987 for a 4.3% growth over 1986. Measured media rose 4.6% to $15.36 billion.

RANK
57

American Brands

New York

ADVERTISING **$ 151.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	9,153	7,253	26.2
Earnings	523	365	43.1
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	2,816	2,391	17.8
Operating income	578	434	33.1
■ ***Division sales***	***1987***	***1986***	***% chg***
Tobacco products	6,144	5,169	18.9
Hardware, security	292	303	(3.6)
Distilled beverages	599	255	134.9
Golf, leisure prods	262	224	17.0
Office products	509	347	46.7
Optical goods, svcs	250	172	45.3
Other	1,098	784	40.1

U.S. advertising by media

($ in thousands)

■ **Media**	*1987*	*1986*	*% chg*
Newspaper	6,613	10,260	(35.5)
Business pub	430	NA	NA
Magazine	38,527	39,282	(1.9)
Newsp supp	1,068	3,629	(70.6)
Outdoor	19,834	14,183	39.8
Network TV	6,778	5,268	28.7
Spot TV	2,107	23	8,905.1
Network cable	195	135	45.0
Network radio	356	139	156.5
Spot radio	463	0	NA
Measured	76,371	72,919	4.7
Unmeasured	75,000	71,000	5.6
Total	151,371	143,919	5.2

American Brands is the gin rummy player who dives deep into the discard pile to pluck the right card and then must somehow absorb the extra ones on top.

AB at year-end came face-to-face with a hungry E-II Holdings, Chicago. E-II, a depository of name brands spun off from Beatrice Cos., had takeover designs on AB. But AB pulled the so-called Pac-Man defense by buying out E-II earlier this year, leaving AB deep in debt and overloaded with brands.

Shortly after the buyout—it cost $2.7 billion, including a $1.2 billion purchase price and about $1.5 billion in E-II debt—American Brands began the tedious process of discarding the "cards" that didn't fit.

American Brands folded into its home products business E-II's hardware and home products companies—Waterloo Industries Inc., a manufacturer of tool storage products; AristoKraft Inc., a maker of kitchen cabinets and bathroom vanities and Twentieth Century Companies Inc., a manufacturer of plumbing supply and repair products.

AB's office supply units welcomed into the fold E-II companies, Day-Timers, a direct-mail marketer of diary planners, and Vogel Peterson, an office furniture maker. Other significant properties retained included Master Lock Co., Prestige Group PLC in the U.K., Acushnet Co. and Foot-Joy Inc.

But the remainder of E-II Holdings, consisting of nine former E-II companies, was sold *en masse* this July for approximately $1.2 billion to a family company led by Meshulam Riklis, a Manhattan retailing exec. These properties included Martha White Foods Inc., Beatreme Food Ingredients Inc., Home Fashions Inc., Lowrey's Meat Specialties Inc., Pet Specialties Inc., Frozen Specialties Inc., Culligan International Co., Samsonite Corp. and Samsonite Furniture. Mr. Riklis also assumed the $1.5 billion in subordinated debt that AB took on in the E-II buyout.

At press time, details on the sale of several properties were being worked out, including the Stiffel Co., Acme Visible and W.R. Case & Sons Cutlery Co.

Apart from the E-II dealings, American Brands disposed of some of its food, personal-care, security and pumps and valves operations. Taylor Food Products was sold for $18 million earlier this year. Sunshine Biscuits Inc., Andrew Jergens Co., Aunt Nellie's Farm Kitchens Inc. and Mono Pumps Ltd. of the U.K. were sold for undisclosed amounts.

AB had been anything but idle on the acquisition front prior to its confrontation with E-II. It purchased in May 1987 the distilled spirits business of National Distillers & Chemical Corp. for $583.8 million.

The new unit was merged with James B. Beam Distilling Co. to form Jim Beam Brands Co., now a core business for American Brands. Beam, which gained Old Grand-Dad bourbon, DeKuyper cordials, Gilbey's gin and vodka and Windsor Canadian Supreme Whisky in the deal, vaulted to No. 3 in the domestic liquor market where it holds five of the top 25 brands.

AB additionally added to its office products business ACCO World Corp., acquired in August 1987.

Meanwhile, AB's American Tobacco Co., which accounted for 15.3% of companywide sales in 1987, continued to lose market share—down 0.3 points to 6.9% of market to rank No. 5 among domestic tobacco companies, according to John C. Maxwell Jr., analyst with Wheat First Securities, Richmond, Va.

In the process, sales declined by $10.4 million for American Tobacco, compared with a $15.1 million decrease in 1986, although operating profits grew 22% to $429.7 million.

Malibu, a low-price brand, helped make the company a contender, as the company's franchise, Pall Mall, was bumped from the top 10 sellers when R.J. Reynolds' Doral, a branded generic, experienced a 44% growth, noted Mr. Maxwell.

Among its filter cigarettes, Malibu, in its first full year on the market, gained a 0.3% share, followed by Pall Mall with a 0.7%, compared with 0.6% in 1986. Carlton held a 1.7% share down from 1.9%; Tareyton recorded 0.8%, down from 0.9%; Silva Thins and Lucky Strike stayed unchanged at 0.1% and 0.5%, respectively, according to Mr. Maxwell.

Among its non-filtered lines, Pall Mall recorded a 2.3% share, down from 2.6%, and Lucky Strike came in at 0.5%, down from 0.6%.

Pall Mall (Red) Filters were introduced nationally at the end of the third quarter of 1987 and showed a 20% increase in unit sales through the first six months of 1988, compared with the same period in 1987, Mr. Maxwell said.

Vigorous marketing of Malibu and Pall Mall (Red) Filters have influenced a rebound in the first six months of 1988. Unit sales climbed 0.3%, compared with a slippage of 2.3% in industry unit sales. Over the first half of 1988, the company said its market share returned to 7.2%.

Measured spending increased 5.6% for American Tobacco products to $32.3 million, according to BAR/LNA, which in 1987 measured seven major media, not including spot radio, newspapers, business press and farm. Brand spending on cigarettes, which tends to be heavy in some of these media not monitored, still accounted for 39% of AB's measured total.

Pall Mall received $10.2 million in measured support for its line, up 193.7%, while Carlton took $17.2 million, down 22.5%, and Lucky Strike drew $3.6 million, down 25%. Malibu, debuting nationally in the summer of 1987, got $1.1 million in measured support.

The other heavily-advertised division, Jim Beam Brands Co., spent $23.9 million in 1987 in the BAR/LNA seven media for its line of distilled spirits, up from only $3.2 million in 1986. The addition of the new bourbon lines has pushed AB's share to 29% of the U.S. bourbon market, the company claimed.

AB said its Jim Beam Bourbon is the leading bourbon both in the U.S. and world. The white label bourbon alone garnered 20% of the U.S. market in 1987, compared to 19% for 1986 and 17% for 1985, according to the company.

DeKuyper Peachtree schnapps continues to be a strong point. Introduced in 1984, it sold 1.5 million cases within a year, making DeKuyper the 24th best-selling liquor product in the U.S. The number almost doubled in 1987. Mr. Maxwell estimates in 1988 the peach schnapps will sell about 2.4 million cases, which is roughly two-thirds of DeKuyper's sales.

Although DeKuyper showed nearly an 8% drop so far this year, mainly because of fluctuating sales of various flavors, Maxwell said the line has kept its position for the third straight year as No. 1 cordial.

American Brands made two major personnel changes in June 1987. William J. Alley became chairman-CEO and Thomas C. Hays became president-COO. Mr. Alley succeeded Edward E. Whittemore, who became ill, resigned and later died. Mr. Hays followed Virginius B. Lougee III, who retired.

AMERICAN BRANDS
1700 E. Putnam Ave.
Old Greenwich, Conn. 06870-0811
(203) 698-5000

American Tobacco Co.
Stamford, Conn.

Corporate personnel: C.H. Mullen, chmn & ceo.

Marketing personnel: W.J. Moore, sr vp-mktg; R.E. Smith, dir-brand mgmt; M.J. O'Neill, mktg devel dir; J.J. Mellett, media dir; C.E. Willoughby, mktg rsch mgr; E.T. Bonnett, mktg resource mgr; M.G. Holmes, rsch analyst; William Degenhardt, media super; M.P. Rose, media planner; J.M. Ockers, sr prod mgr-Pall Mall; T.M. Keane, sr prod mgr-Malibu; K.P. Noone, prod mgr-Carlton; M.J. Burns, prod mgr- Lucky Strike; E.M. Sharpe, prod mgr-American Lights; J.E. Vyse, mktg budget mgr; D.S. Johnston, vp-sales; E.J. Gesell, exec sales dir.

Brands/services by agency of record:

Carlton
Lucky Strike
Pall Mall
Tareyton
Silva Thins
American Lights
Malibu

Ad agency: Laurence, Charles, Free & Lawson, New York: Albert Magnane, exec vp; Douglass Bomeisler, Richard Goldschmidt, sr vps.

Franklin Life Insurance Co.
Springfield, Ill.

Marketing personnel: Jack Watson, exec vp-ceo; David Vanselow, vp-comm.

Brands/services by agency of record:

Franklin Life Insurance Co.

Ad agency: Squires Advertising Agency & Art Studio, Springfield, Ill.: Stan Squires, vp.

Southland Life Insurance Co.
Dallas

Marketing personnel: Joe W. Hopkins, sr exec vp-mktg officer; Virgil L. Hooper, second vp-dir special mkts.

Brands/services by agency of record:

Southland Life Insurance

Ad agency: (In-house): Virgil L. Hooper, second vp, dir-special mkts.

Jim Beam Brands Co.
Chicago

Marketing personnel: Ralph Hallquist, vp, dir-mktg & adv; Michael Lintner, group prod dir-bourbons, gins & vodkas; Ed Moser, group prod dir-cordials & low alcohol prods; Marshall Lynn, group prod dir-Canadian & specialties; Gayle Seinfeld, media mgr.

Brands/services by agency of record:

DeKuyper cordials
Windsor Canadian

Ad agency: BBDO, Chicago: Steve Smith, mgmt super.

■

Jim Beam bourbon
Corp adv

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Chicago: Lowell Wallace, mgmt super.

■

Old Grand Dad bourbon
Gilbey's gin
Fletcher & Oakes

Ad agency: HDM/Dawson Johns & Black, Chicago: Andy Taylor, acct dir.

Acco International
Wheeling, Ill.

Marketing personnel: William S. Carvell, vp-mktg; Charles Fahmer, stapling prods mkt mgr; J. William Hubbell, G.O.P. mkt mgr; Sharon Lange, adv & mktg svcs mgr; Brian Larson, new prod devel mgr; Kenneth Oberg, mkt mgr-computer accessories & retention furniture; Mary Steigman, prod mgr-computer accessories & retention furniture.

Brands/services by agency of record:

Acco office furniture

Ad agency: Davis-Harrison Advertising, Chicago: Doug Davis, Sue Harrison, partners.

Day-Timers
East Texas, Pa.

Marketing personnel: Steve Rowley, president; Mark LaDouceur, vp-mktg; Keith Snyder, dir-adv.

Brands/services by agency of record:

Day-Timers diary planners

Ad agency: Della Femina, McNamee WCRS, Chicago: Thomas J. Lewy, acct super.

Kensington Microware
New York

Marketing personnel: Susan Lefkowitz, vp-mktg; Betsy Dineen, dir-corp comm; Catherine Ullmann, art dir; Roseanne McClellan, mgr-adv, direct mail & pr.

Brands/services by agency of record:

Kensington Microware

Ad agency: (In-house): Roseanne McClellan, mgr-adv, direct mail & pr.

Perma Products Co.
Dallas, Texas

Marketing personnel: Don Trammell, mktg mgr.

Brands/services by agency of record:

Perma prods

Ad agency: (In-house): Don Trammell, mktg mgr.

Swingline Inc.
Long Island City, N.Y.

Marketing personnel: Fred Weiss, vp-mktg devel & admin.

Brands/services by agency of record:

Swingline office prods

Ad agency: Adler Schwartz, New York: Judy Donovn, vp.

■

Swingline machines

Ad agency: Davis-Harrison Advertising, Chicago: Doug Davis, Sue Harrison, partners.

Vogel Peterson
Elmhurst, Ill.

Marketing personnel: Stephanie Messick, dir-mktg; Janet Serrano, prod mktg.

Brands/services by agency of record:

Vogel Peterson office furniture

Ad agency: McKee Advertising, Elk Grove Village, Ill.: Tom Behan, vp, Bill Makely, vp-pr.

Wilson Jones Co.
Chicago

Marketing personnel: Stephen R. Wittrup, dir-mktg devel; Marvin A. Rosenfeldt, adv mgr.

Brands/services by agency of record:

Wilson Jones office prods

Ad agency: Al Paul Lefton Co., New York: Jack Stack, vp.

Master Lock Co.
Milwaukee

Marketing personnel: Peter U. Jung, vp-mktg & sales.

Brands/services by agency of record:

Consumer trade adv

Ad agency: Cramer-Krasselt, Milwaukee: William Faude, acct super.

20th Century Cos.
Wheeling, Ill.

Marketing personnel: Dan Stuart, vp-mktg & sales; Charles (Skip) Moran, vp-sales; Vince Pelletteri, vp-nat'l hardware accts; Gene Carpenter, sr prod coord.

Brands/services by agency of record:

20th Century plumbing & repair prods

Ad agency: McKee Advertising, Elk Grove Village, Ill.: Ted McKee, president; Ken Krause, acct exec.

AristoKraft
Jasper, Ind.

Marketing personnel: Gary Lautzenhiser, sr vp-mktg & sales; John Chamberlain, vp-mktg & sales.

Brands/services by agency of record:

AristoKraft cabinets & vanities

Ad agency: Juhl Advertising, Elkhart, Ind.: Howard Blackwood, president; Steve Blaising, vp.

Waterloo Industries
Waterloo, Iowa

Guide to corporate boxes

RANK
50

Pfabulous Pharmaceuticals

Englewood Cliffs, N.J.

ADVERTISING **$555** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	7,000	6,000	16.6
Earnings	700	600	16.6
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	5,000	4,000	25.0
Operating income	400	300	33.3
■ ***Division sales***	***1987***	***1986***	***% chg***
Consumer healthcare	5,000	4,000	25.0
Professional prods	2,000	2,000	0.0

U.S. advertising by media

($ in thousands)

■ **Media**	*1987*	*1986*	*% chg*
Newspaper	140,000	130,000	7.7
Business pub	5,000	4,000	25.0
Magazine	100,000	75,000	33.3
Network TV	150,000	140,000	7.1
Spot TV	50,000	46,000	8.7
Network cable	50,000	50,000	0.0
Spot radio	5,000	5,000	0.0
Measured	500,000	450,000	11.1
Unmeasured	55,000	50,000	10.0
Total	555,000	500,000	11.0

Fictitious Pfabulous Pharmaceuticals is ranked 50th among Leading National Advertisers picked by Ad Age in this issue and based on total U.S. ad spending in 1987, which is reported as ADVERTISING in millions or billions of dollars.

Pfabulous Pharmaceuticals is based in Englewood Cliffs, N.J.

PP reports on a calendar basis like most of the leading advertisers. However, should a company report on a fiscal basis, the year heading column would read 1988 and 1987, if the fiscal closing occurs before this issue was published. Also, if PP is a foreign-based company, a currency conversion rate is given in the profile.

Worldwide and U.S. sales, earnings and operating income are reported from public documents, wherever possible. Financial figures for private companies are estimates.

Division sales are the business segments as defined by PP and include revenues for comparable years.

The advertising figures in the tabular breakout under U.S. advertising by media are a composite of PP's ad expenditures, both measured and unmeasured. See "Where Ad Age got its data" on Page 2 for an explanation of the tabular breakout.

Marketing personnel: John Trebel, vp-mktg & sales; Mike Strickland, dir-mktg svcs; R.C. Wojan, dir-sales, professional prod group; Jere Clune, dir-consumer div.

Brands/services by agency of record:

Waterloo tool storage prods

Ad agency: Connell Communications: Connie Sisson, president; Betty Hellman, sr vp.

Acushnet Co.
New Bedford, Mass.
Golf Division

Marketing personnel: David E. Overmyer, sr dir-ktg; John W. Hoagland, dir-sales; Robert A. Shell, sr mktg mgr-apparel; Gerald M. Bellis, sr prod mgr-golf balls, W.W.

Rubber Division

Marketing personnel: James G. DeMello, vp-sales; H. Lynn Drury, vp-mkts; Roger M. Horning, Charles C. Gregory, regional mgrs; Jack W. Wagner, mgr-natl accts, auto.

Foot-Joy

Marketing personnel: Chuck Quinn, vp-mkt golf; Richard Woodworth, prod mgr-gloves & socks.

Brands/services by agency of record:

Golf div
Rubber div
Foot-joy

Ad agency: Della Femina, McNamee WCRS, Boston: John McNamara, sr vp-mgmt super.

RANK
34

American Cyanamid

Wayne, N.J.
ADVERTISING **$ 250.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	4,166	3,816	9.2
Earnings	276	203	36.0
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	2,618	2,536	3.2
Operating income	190	151	25.8
■ ***Division sales***	***1987***	***1986***	***% chg***
Medical	1,638	1,440	13.8
Agricultural	919	873	5.3
Chemicals	1,042	948	9.9
Shulton	568	555	2.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	97	3	2,976.9
Business pub	691	749	(7.7)
Magazine	7,929	12,540	(36.8)
Newsp supp	89	39	132.2
Farm pub	5,423	5,376	0.9
Outdoor	194	222	(12.8)
Network TV	23,501	20,953	12.2
Spot TV	16,109	9,301	73.2
Network cable	2,124	1,496	42.0
Network radio	2,330	2,910	(20.0)
Spot radio	2,891	2,594	11.5
Measured	61,376	56,181	9.2
Unmeasured	189,000	173,000	9.2
Total	250,376	229,181	9.2

American Cyanamid Co.'s heavily advertised Shulton USA division had the smallest increase in sales among the four divisions comprising the company in 1987, reflecting in part the sale of Jacqueline Cochran fragrance business to Paris-based Sanofi, a pharmaceutical, cosmetics and fragrance multinational.

But the division continued to be supported strongly by advertising, receiving much of the $266.2 million spent companywide in 1987, up 9.2% from 1986. Shulton, which includes Pine-Sol liquid cleaner, Combat roach and mice-control products, Old Spice personal-care products and Breck haircare and Lady's Choice personal-care products, grew 2.3% in sales, down slightly from a 2.9% growth the year before.

Among Shulton products, the most heavily advertised is the Old Spice line of personal-care products for men, with $12.7 million measured advertising in 1987. Of that total, $5 million backed Old Spice cologne, and after-shave, the leader in the heavily fragmented men's fragrance market with a 19% share (ounces consumed). The share remained the same as in 1986, but the first half of 1988 sales show a climb of one share point, said Kenneth Freeman, VP-marketing at Shulton USA.

A pricier product, Night Spice, introduced in fall 1987, "sold very well at Christmas," said Mr. Freeman, with an $8 to $13 price range for the 2- and 4-oz. bottles. Old Spice sells for $4 per 4¼ oz. bottle Two even costlier fragrances for men will be introduced this Christmas season —Santa Fe, at $10 to $15 for 1.7 oz. and 3.4 oz. bottles, and Bleu Marine de Cardin, an addition to the Pierre Cardin line, at $20 to $30 for 2 ozs. and 4 ozs.

A $5 million net TV and magazine campaign in October, November and December will introduce Santa Fe with the theme "Discover the mystery of its attraction." A $1 million print campaign will introduce Bleu Marine.

Old Spice will roll out Old Spice Liquid Stick, a men's liquid stick underarm deodorant with a porous plastic dome, in a $10 million network TV campaign scheduled to break this month and run through next March. Theme is, "The most advanced protection in the world." And Old Spice adds a citrus-based new scent, Fresh Scent, to its cologne and after-shave line this Christmas. A half-million scent-strip campaign will be limited to *People* magazine. Old Spice's planned $4 million in Christmas season TV ads will tag the new scent.

All of the fragrance introductions will be done by Scali, McCabe, Sloves which handles Cyanamid's Old Spice, Breck haircare and Pierre Cardin lines.

Pine-Sol, which pulled $10.6 million in measured spending, up 15.2%, continued to muscle the competition in the popular pine-scented household cleaner category by clinging to its 17% share in manufacturer's dollars. The product had an estimated $120 million (manufacturers dollars) in sales, according to James Daniel, analyst with Brown Brothers Harriman & Co.

Mr. Daniel said only one of the consumer products, Pine-Sol, was on his list of the company's seven biggest sellers. Pine-Sol, which was backed by $10.6 million in measured advertising, has an estimated $120 million in sales.

Shulton U.S.A. VP-Marketing Kenneth Freeman said, "We are easily the leading liquid household cleaner" with 17% market share (in dollar volume) followed by Mr. Clean with 10% share and Lysol with 7%-8% share. Shares remained stable from 1986 but sales continued to grow, Mr. Freeman said.

Shulton's Combat Roach Control product, introduced in 1985, is believed to have unseated Black Flag (American Home Products) in the No. 2 market spot with an 18% share. Combat rose from a 13% share in 1986 while Black Flag fell from an 18% share in 1986 to 15% in 1987. Leader is S.C. Johnson's Raid at a 45% share. Combat was backed with $6.5 million in measured ad spending in 1987, up from $3.1 million in 1986.

In the first six months of 1988, Shulton believed Combat had grown to a 22% share with its line that included two aerosol spray extensions added in 1987 and a new companion product, Combat Mouse Killer tamper-resistant bait tray.

Lederle Laboratories division in the spring of 1987 introduced FiberCon as the only fiber laxative in swallowable tablet form (as opposed to chewable tablets) with heavy measured ad spending of $5.5 million.

By May-June 1988 FiberCon had climbed to No. 2 in the bulk-laxative market with a 6% share compared to 48% for leader Metamucil (Procter & Gamble). According to Cyanamid, No. 3 Citrucel (Dow Chemical) had 5.5%, and Fiberall (Ciba-Geigy) 5%. The bulk-laxative market, worth $193 million in manufacturer's dollars in 1987, is expected to grow 20% in 1988.

Cyanamid has applied for wider use of the drug Novantrone, which the FDA has approved for use against leukemia. It is sold abroad also as treatment for advanced breast cancer. "It's been doing very well," says Mr. Daniel, "as have some old anti-cancer products."

Lederle pared back its heavy advertising in 1986 on vitamins and calcium supplements. Its calcium supplement line of Caltrate 600, and Caltrate Jr. for children pulled only $3.9 million in measured advertising in 1987. The trendy calcium supplements attracted $6.6 million in the prior year when a bevy of similar products hit the market. Centrum vitamins got $3.6 million in measured spending, down from $6.1 million in 1986.

On the industrial end of the business, Cyanamid's herbicide Scepter "has had phenomenal success," said analyst Mr. Daniel, with sales of $145 million in 1987. "Scepter will be up quite a bit this year," he said. Prowl, an older herbicide, had $139 million in sales, and Counter, used against the corn root worm, sold $122 million, he estimated.

Nothing has materialized in rumors that marked Cyanamid as a takeover candidate last spring. "Cyanamid was a logical company for a number of companies, mostly foreign, to expand their presence in the pharmaceutical industry in the U.S." The company, responding to the rumors, adopted "poison pill" provisions that will more than likely keep it independent.

AMERICAN CYANAMID CO.
One Cyanamid Plaza
Wayne, N.J. 07470
(201) 831-2000

Agricultural Group
Wayne, N.J.

Marketing personnel: Thomas J. Raser, comm mgr; Jeffrey A. Winton, adv mgr-corp protection chemicals; Christine B. Cannon, adv & sales promo mgr-animal nutrition & health, VPC ventures; David Butterfield, dir-public affairs.

Brands/services by agency of record:

Cythion
Malathion

Ad agency: H.T. Fenton Inc., Somerville, N.J.: Harry Fenton, acct mgr; Karna Godridge, acct super; Andrea Bestul, acct exec.

■

Aastar
Scepter
Thimet

Ad agency: Miller-Meester, Minneapolis: Paul Durham, acct super-prod publicity.

■

Amdro
Assert
Avenge
Counter
Cygon
Cyprex
Prowl

Ad agency: Tucker Wayne & Co., Atlanta: L.E. Ver Steegh, sr vp, Mark Kirkpatrick, vp, Lisa Larson, acct exec.

Chemicals Group
Chemical/Industrial
Products Division
Wayne, N.J.

Marketing personnel: Diane L. Flood, mgr-mktg comm.

Brands/services by agency of record:

Chemical & industrial prods

Ad agency: Winchell Marketing, Philadelphia: Harry Blynn, president.

Venture Chemicals
Polymer Products Division
Wayne, N.J.

Marketing personnel: Jayme Kulesz, mgr-mktg comm.

Brands/services by agency of record:

Venture Chemicals

Ad agency: Winchell Marketing, Philadelphia: Harry Blynn, president.

Fibers Division

Marketing personnel: Leigh T. Doxsee, dir-mktg; Jeanne B. Simmons, mgr-mktg comm.

Brands/services by agency of record:

Creslan acrylic fibers

Ad agency: Beaumont-Bennett, New York: William Korach, vp-acct mgr.

Lederle Laboratories
Wayne, N.J.

Marketing personnel: Jack E. Dorsey, dir-mktg svcs, pharmaceuticals; Mark D. Perrin, vp & genl mgr-consumer health prods; Raymond W. Tiedmann, vp & genl mgr-standard prods.

Brands/services by agency of record:

Pharmaceuticals

Ad agencies: Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y.: Tom Sweeney, acct exec.

Dugan/Farley Communications, Montvale, N.J.: E.J. Farley, exec vp.

Klemtner Advertising, New York: Gabin Scott, exec vp.

Consumer Products
Shulton U.S.A. Division
Clifton, N.J.

Marketing personnel: Kenneth M. Freeman, vp-mktg; Sheila A. Hopkins, strategic business unit mgr-fragrances; Andrew Lowry, strategic business unit mgr-household prods; Lawrence B. Koslow, strategic business-unit mgr-toiletries; Gary S. Balkema, dir-new prods; James B. Gibbs, dir-adv & promo svcs; Leo J. Lent, dir-mktg svcs.

Brands/services by agency of record:

Combat
Surpass

Ad agency: Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y.: A. Louis Carrafiello, president; Robert Brandt, mgmt super; Len Fiore, acct exec; Marguerite Kennedy, media dir.

■

Breck selected prods
Old Spice deodorant, anti-perspirant
Old Spice fragrance
Pierre Cardin

Ad agency: Scali, McCabe, Sloves, New York: Stuart Epstein, exec vp; Ueli Morant, mgmt super.

RANK
44

American Express Co.

New York
ADVERTISING: **$ 212.5** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	17,768	16,738	6.2
Earnings	533	1,256	(57.6)
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	14,685	13,946	5.3
Operating income	1,327	1,328	(0.1)
■ ***Division sales***	***1987***	***1986***	***% chg***
Travel Related Svs	6,037	5,887	2.5
Shearson	6,749	6,748	0.0
Amex Bank	1,733	1,685	2.8
IDS Financial	3,000	2,395	25.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	14,278	13,498	5.8
Business pub	2,489	1,866	33.4
Magazine	26,012	32,415	(19.8)
Newsp supp	2,027	827	145.1
Outdoor	50	57	(12.0)
Network TV	66,126	64,293	2.9
Spot TV	29,509	24,060	22.6
Network cable	1,410	789	78.7
Network radio	4,038	2,341	72.5
Spot radio	4,541	3,067	48.0
Measured	150,479	143,213	5.1
Unmeasured	62,000	59,000	5.1
Total	212,479	202,213	5.1

American Express, New York, has been keeping to the high ground in the nasty credit card wars with rivals Visa International and MasterCard International.

American Express continued its award-winning "Portraits" campaign with two new print ads and regionalized it with ads featuring local celebrities such as Minnesota Twins outfielder Kirby Puckett. The company also broke new ground in the cooperative advertising field with the introduction of a seven-page magazine ad which was almost like a mini-catalog.

But Visa blasted American Express' new revolving credit card, the Optima card, as a direct threat by warning bankers it would compete with their cards. The move apparently backfired when consumer groups and some members of Congress supported the Optima card which initially had lower interest rates than most bank cards.

The battle continued, however, on the advertising front with Visa's campaign for the winter and summer Olympics stating that American Express would not be accepted at the games, when in fact the AmEx card was honored in host cities outside Visa's exclusive hold on the Olympic village and various sporting sites.

Another campaign by Visa used a "membership has its disadvantages pitch," a play on AmEx's "Membership has its advantages" theme, to point out the greater number of establishments worldwide that accepted Visa.

American Express' ad spending rose 5.1% to $212.5 million in 1987. Of the $150.5 measured total, credit cards received $76.6 million, up 11.8%.

The three card companies fought each other by giving travel awards to consumers for airline, hotel or car rental charges. American Express focused its ad efforts on credit card enhancements such as a Purchase Protection Plan which insured most items from theft, loss or fire. Rental car insurance also was offered free to Gold and Platinum Cardholders.

American Express Co. managed to do surprisingly well during the year despite the stock market crash that left revenues at its Shearson Lehman Brothers' subsidiary unchanged and the debt problems of less developed nations that forced American Express Bank to moved out of long-term lending in those areas, taking a $625 million loss.

Income from continuing operations in 1987 dropped 52%. Yet American Express, buoyed by the continued strong performance of its Travel Related Services group/division, saw overall sales gain a modest 6% this year. Net income of Travel Related Services increased 16% to $655 million. TRS' revenues were $6 billion, up 25% from 1986.

A record 27.1 million American Express Cards were in force at year-end, up 14% from a year ago and 80% from five years ago. Card volume grew to $75.2 billion, up 18% from 1986. Some 2.1 million establishments honored the card.

good years," said John Keefe, vp-financial services, Drexel Burnham Lambert, New York. "American Express continues to gather new cardholders and volume has grown nicely. It's first in profitability and first in prestige."

Even the new Optima card, which was promoted with little advertising, has had strong acceptance. There are an estimated 2.5 million Optima cards outstanding, with charges at $3 billion. "It's not only in people's hands, but they're using it," said Mr. Keefe. "American Express is expert at cross-selling, and Optima has a low cost of acquisition. They know people with good credit."

Also soaring was American Express Travel Related Services Co.'s Direct Marketing Group, which sells insurance and investment products. Sales were up to $500 million last year. It is now the fifth largest mail merchandiser in the nation.

Travelers Cheque sales rose 16% in 1987, reaching a new high of $19.9 billion. American Express introduced a new "gift cheque."

In January, Shearson acquired E.F. Hutton Group, which increased its network to 12,000 financial consultants in more than 600 offices in the U.S. The group became Shearson Lehman Hutton. In April, it formed joint ventures with Nippon Life Insurance Co., Japan's largest insurance company, to do business in the U.S., U.K. and Japan.

AMERICAN EXPRESS CO.
American Express Tower
World Financial Center
New York, N.Y. 10285-3130
(212) 640-2000

Marketing personnel: Carlos Ordonoz, vp-adv, personal card; John A. Crewe, sr vp-svc establishment mktg, U.S. & natl accts; Joan Bonnette, vp-personal card comm & adv; Pam Guyot, vp-gold card comm & adv; Mary Miller, vp-platinum card mktg; Ann Busquet, sr vp-mktg & sales, Optima card div; Debra Isenberg, sr vp, dir-mktg div; Thomas F. Cash, sr vp-FSI mktg & sales, Travelers Cheque div; Pamela Paul, vp-travel direct mktg & mtkg svcs; Steve Alesio, vp-travel mgmt svcs mktg; Leo Toralballa, vp-personal card acquisition.

Brands/services by agency of record:

Gold card

Ad agency: McCann-Erickson, New York: Ed Comiskey, exec vp-group dir; Linda Boothby, vp-mgmt rep; Susan Mitchell, acct super.

■

Travel

Ad agency: McCann Direct, New York: Keith Weld, vp-mgmt super.

■

American Express card

Ad agency: Ogilvy & Mather, New York: Brendan Ryan, worldwide mgmt super, mng dir-O&M, New York; David Warden, sr vp, group dir.

Shearson Lehman Brothers
New York

Marketing personnel: Joseph Plumeri, sr exec vp, dir-mktg & sales; Cathleen B. Stewart, exec dir-consumer mktg; Robert Leo, exec vp, dir-natl sales; Catherine Kaputa, vp, dir-adv.

Corporate media buying: Media Placement Services, New York: June Spirer, president.

IDS Financial Services
Minneapolis, Minn.

Marketing personnel: Jeffrey Stiefler, exec vp-mktg & sales; Reed Saunders, sr vp-mktg; Michael J. Rothmeier, vp-client acquisition; Diane Hummon, segment mktg mgr.

Brands/services by agency of record:

IDS Financial Services

Ad agency: Ogilvy & Mather, New York: Brendan Ryan, worldwide mgmt super, mng dir-O&M, New York; David Warden, sr vp-group dir.

RANK
23

American Home Products Corp.

New York
ADVERTISING: **$ 390.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	5,028	4,927	2.1
Earnings	845	779	8.5
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	3,536	3,682	(3.9)
Operating income	1,006	1,009	(0.3)
■ ***Division sales***	***1987***	***1986***	***% chg***
Prescription drug	2,359	2,199	7.3
Packaged med	863	814	6.0
Med supplies	566	442	28.1
Food, household	1,240	1,552	(20.1)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	216	87	148.0
Business pub	1,193	1,400	(14.8)
Magazine	13,907	14,990	(7.2)
Newsp supp	103	239	(56.9)
Outdoor	3	0	NA
Network TV	182,057	183,493	(0.8)
Spot TV	14,917	14,822	0.6
Network cable	7,254	6,821	6.3
Network radio	2,534	2,107	20.3
Spot radio	1,208	543	122.5
Measured	223,391	224,503	(0.5)
Unmeasured	167,000	168,000	(0.6)
Total	390,391	392,503	(0.5)

Following a reorganization last August which combined two American Home Products units—Wyeth and Ayerst laboratories—into one, brand franchises were reshuffled throughout the company's agencies.

Campbell-Mithun-Esty received the $7 million Riopan and Riopan Plus account from Saatchi & Saatchi DFS Compton. Young & Rubicam picked up Wizard Charcoal Starter and Woolite Rug and Upholstery Cleaner, Kornhauser & Calene got Sani-Flush and McCann-Erickson won the Easy-Off and Woolite accounts—all from N W Ayer.

Once the dust had settled, McCann-Erickson had amassed about $27 million in AHP advertising from various agencies, adding such products as Dristan, Fiber Guard fiber supplement and Dermoplast anesthetic spray.

The Wyeth-Ayerst merger allows the new entity to focus on prescription drugs, and it eliminated several areas of duplication. Both former presidents of the two laboratories assumed the leadership of the new organization. Bernard Canavan, former president of Wyeth, became chairman of Wyeth-Ayerst, and also was named a corporate executive VP, while the former president of Ayerst, Judson St John, is now the president of Wyeth-Ayerst.

One task facing the newly-formed division is the bringing to market of a powerful new prescription drug, AS 101, which is an antiviral compound capable of strengthening the immune system against certain AIDS and cancer viruses. According to reports, the company has acquired an exclusive worldwide license to market the product, and clinical trials, which are already under way in various foreign countries, are beginning in the U.S.

Having put the pharmaceutical house in more efficient working order, company officials set their sights on new acquisitions. VLI Corp., Irvine, Calif., manufacturer and marketer of the Today contraceptive sponge as well as other OTC products, was purchased in December 1987 for $74 million. Now a part of AHP's Whitehall Laboratories division, VLI gives AHP an expanded role in the $54 million market for home pregnancy test where AHP's lone entry is Predictor, and also now will include VLI's Clearblue and Clearplan, an ovulation predictor.

Nearly half of that market is dominated by Johnson & Johnson's Ortho Pharmaceutical product, Advance, and Warner-Lambert Co.'s e.p.t. Plus. Newly-acquired Clearblue holds a 10% share, according to Jim Saberton, senior consultant with Fairfield, N.J.-based Kline & Co., a marketing consultant company.

The greatest potential for growth is VLI's flagship product, the Today contraceptive sponge. It currently holds a 27.2% share of the $75 million female contraceptive market, making it the leading OTC female contraceptive in the U.S., while its future sales potential could be very bright. Only 14% of women using birth control have tried the sponge to date, leaving the market wide open. Recently, a condom bearing the Today name was introduced. VLI spent $3.1 million advertising its product line in 1987.

AHP hopes to finalize its planned takeover of A.H. Robins Co., of Richmond, Va., by the end of the year. Faced with the enormity of the litigation facing Robins from the Dalkon Shield contraceptive controversy, AHP temporarily abandoned its acquisition overtures last year. AHP stepped up efforts recently, however, eager to gain access to the $1.4 billion worth of brand names like Robitussin, the largest selling cough preparation in the country with a 26% share of the $330 million cough syrup market. Procter & Gamble's Vicks line is Robitussin's closest competitor with a 21% share, while Warner-Lambert's Benylin and Mediquell lines, together with Sandoz Ltd.'s Triaminic brand, hold a combined 15% share of that market, according to Mr. Saberton.

Another strong Robins OTC performer is Dimetapp, which holds a 7% share of the crowded $700 million cold medications category. P&G's Nyquil leads that market with a 12.5% share, followed by Miles' (Bayer USA) Alka-Seltzer at 9%. Burroughs-Wellcome's Sudafed and Actifed holds a combined 8.5% share, Mr. Saberton said.

Robins' other major brand line is Chap Stick, the market leader for lip care.

Before the acquisition can be completed, however, A.H. Robins must emerge from Chapter 11 bankruptcy status, which it requested as a result of the claims filed by Dalkon Shield users. AHP plans to set $2.5 billion aside to settle the litigation, in addition to its planned payment of $700 million in stock for Robins.

AHP current consumer successes continue to be dominated by the ongoing strength of Advil's performance. The ibuprofen-based analgesic from Whitehall Laboratories continues to build its lead in the $300 million OTC ibuprofen category, where, according to Mr. Saberton, it commands an impressive 50% share. Between 1986 and 1987, Advil actually lost 15 market share points, primarily to inroads made by Bristol-Myers' Nuprin, which currently holds a 25% share, and Johnson & Johnson's Medipren, with a 12% to 13% share.

Nevertheless, Advil has been the leading ibuprofen brand since its introduction in 1985, and sales are expected to continue to climb throughout 1988, Mr. Saberton said. Advil was supported by a hefty $48.4 million in measured spending in 1987, up slightly over $47 million in 1986, according to BAR/LNA.

Anacin, another analgesic product AHP supports heavily, clings to its slightly less than 15% share of the aspirin market, which translated into $120 million in sales in 1987.

In that $750 million market, Anacin competes head-to-head with Eastman Kodak Co.'s Sterling Drug unit product, Bayer, which increased its market share to just over 15%. Bristol-Myers' two aspirin-based entries, Excedrin, with its 10%-plus share, and Bufferin, with 9.5%, round out the top brand-name contenders in the aspirin group. According to BAR/LNA, AHP backed the Anacin line with $42.1 million; Sterling put $27 million behind Bayer; and Bristol-Myers spent $19.8 million on the Excedrin line and $9.6 million for Bufferin.

Although the analgesics market continues to be dominated by Johnson & Johnson heavyweight Tylenol, an acetaminophen with a 30% share, aspirin has received a boost from a new study that links salicylic acid to heart attact-fighting benefits. The effects of that study on consumer buying habits should become apparent in 1988. The Anacin line also includes an acetaminophen product, Anacin-3.

Joining other marketers who have recognized a vast audience in the Hispanic market, AHP spent $3 million in 1987 on Hispanic advertising, an increase of 76.5% over 1986.

The Boyle-Midway division continues to expand its range of microwave entrees and side dishes. Its cooking spray, PAM, the leader in the category for over 20 years, has addressed the needs and tastes of health-conscious Americans this past year, with the introduction of an all-natural formulation that contains virtually no fat or calories, and no sodium or cholesterol. PAM was backed by nearly $10 million in measured media support.

Boyle-Midway maintained 1986 spending levels in 1987 for its Woolite line ($15.9 million), and for Black Flag insect exterminating products ($5.1 million).

American Home Foods' business was bolstered by the 16% increase in sales for the Chef Boy-Ar-Dee line of prepared pasta, a category it continues to dominate, armed with $14.5 million in measured spending, according to BAR/LNA.

AMERICAN HOME
PRODUCTS CORP.
685 Third Ave.
New York, N.Y. 10017
(212) 878-5000

Corporate media buying: (In-house): John F. Murray Advertising Agency: Richard Feldheim, president; Marianne McArdle, sr vp, dir-natl tv; Thomas Del Priore, vp-natl tv support; Katie Coke, vp-radio; Judith A. Bloedorn, vp-spot tv.

Boyle-Midway
New York

Corporate personnel: T.J. Host, president.

Marketing personnel: Rick Donnelly, vp-category dir; Ellen Schapps, vp-mktg svcs, Ken Lagana, adv dir.

Brands/services by agency of record:

Black Flag
Depend-O
Easy-On starch
Griffin shoe polish
Old English
Plastic Wood
Sani-Flush, various prods
Snarol
3-in-1 Oil
Zud

Ad agency: Kornhauser & Calene, New York: Neve Savage, vice chmn.

■

Easy-Off Glass Cleaner
Easy-Off Mildew Stain Remover
Easy-Off Oven Cleaner
Noxon
Red Devil Lye
Woolite Cold Water Wash
Woolite Gentle Cycle

Ad agency: McCann-Erickson, New York: Linda Joselow, sr vp, mgmt rep.

■

Dry Breezes
Gulf Lite Charcoal Lighter
Holiday
Pam
Wizard Air Freshener
Wizard Charcoal Lighter
Woolite Rug and Upholstery Cleaners

Ad agency: Young & Rubicam, New York: Jordan Stanley, vp-mgmt super.

Whitehall Laboratories
New York

Corporate personnel: L. Randall Yates, president.

Marketing personnel: Andrew Davis, sr vp-mktg; G.B. Prince, vp-mktg; Lyn Ciocca, vp-mktg; J. Schmitt, asst vp-new prods; Steve Palmisano, adv dir.

Brands/services by agency of record:

Anacin
Compound W
Heet
Maximum Strength Anacin
Momentum
Oxipor
Preparation H
Quiet World
Riopan
Riopan Plus
Viro-Med

Ad agency: Campbell-Mithun-Esty, New York: George Biava, sr vp-mgmt dir; Tom Perotta, sr vp-mgmt super; Carol DiSanto, Ed Bauccio, vps-mgmt supers; Deborah Dick-Rath, vp-acct super; Marianne Jones, acct super.

■

Anacin 3
Children's Anacin 3
Denorex medicated shampoo
Dry and Clear
Freezone
Outgro
Primatene
Trendar
Youth Garde

Ad agency: Kornhauser & Calene, New York: Alan Yarnoff, exec vp-mgmt super; Mike Detels, Jim Harragan, Martin Bowen, vps-acct supers.

■

Dristan Tablets
Dristan Sprays

Ad agency: McCann-Erickson, New York: Gunnar Wilmot, sr vp-group mktg dir; Tom Beach, vp-mgmt rep; Melinda Baxter, acct super.

■

Advil
Anbesol
Arthritis Pain Formula
Bronitin
Clearblue
Clearplan
Neet
Semicid
Sleep-Eze
Today Sponges

Ad agency: Young & Rubicam, New York: Patrick Knisley, vp-mgmt super; Paul Gandlach, Cathy Lasonski, vps-acct supers.

Fort Dodge Laboratories
Fort Dodge, Iowa

Corporate personnel: E.T. Corcoran, president.

Marketing personnel: J.A. Bixler, vp-sales & mktg; W.E. Ryan, dir-adv.

Brands/services by agency of record:

Fort Dodge Laboratories

Ad agency: Miller-Meister, Minneapolis: Ted Priebe, exec vp.

American Home Foods
New York

Corporate personnel: D.P. Jaicks, president.

Marketing personnel: Charles LaRosa, sr vp-mktg; Karl H. Becker, vp-mktg svcs; John Hittson, vp-prod mgmt; Jules N. Neuberger, adv dir; Albert J. Soricelli, vp-new ventures.

Brands/services by agency of record:

Chef-Boy-Ar-Dee Pizza Mix
Dennison's Chili, new prods
Gulden's Mustard
Jiffy Pop Popcorn
Mamma Leone's Prepared Pasta
Panzerotti Mix

Ad agency: Jordan, McGrath, Case & Taylor, New York: Judy Niedert, vp-acct super.

■

Maltex cereals
Food service
Maypo
Wheatena

Ad agency: Ketchum/Hicks & Greist, New York: Ken Silvers, vp-acct super.

■

Chef-Boy-Ar-Dee Canned Pasta
Crunch-n-Munch
Luck's Beans
Microwave Meals
Ranch Style Beans, new prods

Ad agency: Young & Rubicam, New York: Jane Brite, exec vp-group genl mgr; Sean Haley, vp-mgmt super; Kevin Rhodes, vp-acct super.

Sherwood Medical Co.
St. Louis

Corporate personnel: David A. Low, president.

Marketing personnel: Robert Egan, exec vp-domestic mktg; Terry Broers, sr vp-genl mgr-intl; Thomas Cekoric, vp, genl mgr-API.

Brands/services by agency of record:

Sherwood

Ad agency: Frank Block Associates, St. Louis: Robert Brace, acct exec.

Wyeth-Ayerst Laboratories
Radnor, Pa.

Corporate personnel: Bernard Canavan, chmn; Judson S. John, president.

Marketing personnel: Thomas Cavanaugh, exec vp-sales & mktg; Martin Meaney, sr vp-sales & mktg; John Leo, vp-mktg; Walter Dymarczyk, asst vp-sales, Ayerst; David Swingle, asst vp-sales, therapeutics; Edward Marcoon, asst vp-sales, natology.

Brands/services by agency of record:

Ativan injection
Cerubidine
Corderone
Serex
Wytensin

Ad agency: F. Scott Kimmich & Co., So. Norwalk, Conn.: Bill Griffith, acct super; Linda Ley, acct exec.

■

Aygestin
Ativan
Cycrin
Mysoline
Orudis
Phenergan cold formula
Phenergan cough formula
Premarin
Surmontil
Synalgos DC

Ad agency: Klemtner Advertising, New York: R. Jay Conlan, mgmt dir; Paul Nani, vp-acct group super; Tony Correia, vp-acct super.

■

Inderal LA
Inderal tablets
Inderide tablets
Inderide LA

Ad agency: Lally, McFarland & Pantello, New York: Paul Hansen, acct group super; Alan Shapiro, Barbara Sage, acct supers.

■

Lo-Ovral
Nordette
Nursoy
Ovral
Resol
SMA
Triphasil
Tubex

Ad agency: William Douglas McAdams, New York: Joseph Carobene, sr vp, Patricia Tlonski, vp-acct super.

RANK
16

American Telephone & Telegraph

New York
ADVERTISING: **$ 531.0** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	33,598	34,087	(1.4)
Earnings	2,044	139	1,370.5
■ *Division sales*	*1987*	*1986*	*% chg*
Telecomm svcs	17,536	16,841	4.1
Data prods	8,322	9,400	(11.5)
Telecomm systems	6,179	6,185	(0.1)
Other	1,561	1,661	(6.0)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	35,920	31,106	15.5
Business pub	16,507	19,850	(16.8)
Magazine	76,270	74,015	3.0
Newsp supp	6,691	3,751	78.4
Outdoor	114	90	27.3
Network TV	146,418	135,162	8.3
Spot TV	34,790	41,124	(15.4)
Network cable	6,440	3,191	101.8
Network radio	15,004	22,552	(33.5)
Spot radio	6,864	8,710	(21.2)
Measured	345,018	339,551	1.6
Unmeasured	186,000	183,000	1.6
Total	531,018	522,551	1.6

Buoyed by cost cutting, growth in core businesses and a rejuvenated computer strategy, AT&T has entered the fast lane—a turnaround from 1986 when the company claimed it was on the right road but going the wrong way.

AT&T has outlined a three-pronged strategy—to strengthen core businesses, become a leader in data networking and expand international business—under its new leader Robert Allen. Mr. Allen replaced Chairman-CEO James Olson, who died of cancer in April 1988.

Revenues for the year were down because of a continued decline in rental phone equipment, mostly by businesses, but net income rose to $2 billion, a huge gain from the same period in 1986.

AT&T put its worldwide advertising costs at $814 million in 1987, up 4.9% from 1986, although the expenditure includes salaries, research, media and agency work. AA estimate of $531 million for AT&T includes only U.S. measured media and below-the-line forms of advertising.

AT&T's "the right choice" ad slogan of 1987, which continued into 1988, stresses the anxiety associated with not "choosing" AT&T. "Choose AT&T" was the previous campaign. Scenarios, characterized by jumpy, cinema verite camera work, and tense, disturbing music, were disquieting because vignettes implied that an executive's job hung in the balance of making the right choice of a phone system for his/her company.

The second tier of the campaign brought in AT&T solutions presented by friendly AT&T employees talking to an off-camera interviewer about the dependability of AT&T's products.

"The Right Choice" continues to tag all advertising as a unifying positioning statement. "Reach out and touch" remains in consumer ad copy, but is no longer a stand-alone campaign.

AT&T's largest media expenditures were $77.9 million for its general promotion category, up 174% from the prior year, according to BAR/LNA, which credited AT&T with spending $285.7 million in eight media in 1987, up 2.1% over 1986.

Nearly 72% of the spending in the category was on TV, especially network, with magazines receiving the rest.

Revenues from telecommunications services—largely long distance—increased 2.9%, mostly from growth in calling volumes for international and 800 service. AT&T, which invested $2.7 billion in 1987 to improve its network and expects to invest another $6 billion in 1988 and 1989, derives about 50% of its revenues from telecommunications services. Calling volumes have been encouraged by reduced prices. In 1987, prices dropped 16%. In early 1988, they have dropped another 3.5%.

Long distance usage rose about 8% in 1987 at AT&T. However, the company's market share continues to erode, from 75% in 1987 to 70% so far in 1988, according to Northern Business Information, New York. "The volume is still there because the long distance market is growing at 6 to 7 times the market share rate that AT&T is losing," said Jack Grubman, analyst with PaineWebber, New York. That market has grown to $27 billion in 1988, up 12.5% from the prior year, according to NBI analyst, William Rich.

MCI holds 10% of the market in 1988, up from 7% in 1987; US Sprint Communication increased to 6% this year, from 4%; other services remained steady at 14%, according to NBI.

In long distance alone, AT&T will double in earnings over a four-year period even if it continues to lose market share, said Mr. Grubman.

Ad spending continued to decline on long distance lines—down 33.6% to $62.7 million in 1987, following a 20% drop from 1985 to 1986, according to BAR/LNA. Network TV claimed 50% with support coming from magazines, spot TV, network radio and newspaper supplements.

Ad spending also declined for AT&T long lines business, down 46% to $19.9 million, and for overseas long lines, down 11.4% to $32.5 million.

The second major contributor to AT&T revenues—business, data and consumer products— accounted for $8.3 billion in revenues, down 11.7%, as growing revenues from consumer products and newer systems could not offset declines in rentals and older data products. AT&T has cut costs by 50% in its Consumer Products division over the past three years by reducing staff and closing half of its phone centers, which now number 450.

Telecommunications networks systems, accounted for less than one fifth of AT&T revenues at $6.1 billion, from sale of equipment and related services. Switching systems, and cable and wire sales were up, but transmission equipment and other

Print spending by 100 leaders

Rank		**Company**/headquarters	Total spending	'87-'86 % chg	Newspaper	Business pubs	Farm pubs	Magazine	Newspaper supps.	Outdoor
'87	'86									
1	2	**Philip Morris Cos.**, New York	$1,557,846	7.4	$49,740	$2,893	$0	$243,331	$9,060	$50,207
2	1	**Procter & Gamble Co.**, Cincinnati	1,386,710	(7.6)	5,576	3,579	0	79,611	2,217	842
3	5	**General Motors Corp.**, Detroit	1,024,852	22.2	174,889	9,658	3,355	153,985	7,789	1,398
4	3	**Sears, Roebuck & Co.**, Chicago	886,529	(19.8)	NA	761	0	21,608	6,411	772
5	4	**RJR Nabisco**, Atlanta	839,589	(6.1)	20,242	4,338	0	105,674	12,518	63,065
6	8	**PepsiCo Inc.**, Somers, N.Y.	703,973	9.7	8,178	187	0	936	32	4,518
7	9	**Eastman Kodak Co.**, Rochester, N.Y.	658,221	7.9	2,866	6,045	247	32,884	1,232	1,096
8	10	**McDonald's Corp.**, Oak Brook, Ill.	649,493	9.7	NA	14	0	7,192	1,236	6,607
9	6	**Ford Motor Co.**, Dearborn, Mich.	639,510	(1.7)	100,690	5,448	4,267	125,491	615	1,787
10	7	**Anheuser-Busch Cos.**, St. Louis	635,067	(1.4)	11,409	1,099	0	11,893	421	9,580
11	11	**K mart Corp.**, Troy, Mich.	631,845	10.1	NA	110	0	23,482	2,603	319
12	14	**Unilever NV/PLC**, Rotterdam/London	580,656	6.9	1,567	1,770	0	58,259	245	64
13	13	**General Mills**, Minneapolis	572,233	4.0	501	1,398	0	19,983	207	877
14	16	**Chrysler Corp.**, Highland Park, Mich.	568,722	12.9	70,166	2,214	608	100,446	4,596	2,383
15	12	**Warner-Lambert Co.**, Morris Plains, N.J.	558,115	0.9	1,497	2,049	0	14,227	1,049	1,005
16	15	**American Telephone & Telegraph**, New York	531,018	1.6	35,920	16,507	0	76,270	6,691	114
17	23	**Kellogg Co.**, Battle Creek, Mich.	524,865	41.3	483	481	0	3,406	71	0
18	17	**J.C. Penney Co.**, Plano, Texas	513,497	3.5	NA	4	0	9,044	1,208	31
19	18	**Pillsbury Co.**, Minneapolis	473,895	(4.3)	753	467	0	5,246	23	1,629
20	21	**Johnson & Johnson**, New Brunswick, N.J.	459,271	11.8	790	668	0	32,816	853	137
21	19	**Ralston Purina Co.**, St. Louis	436,606	(8.7)	2,467	344	1,143	18,471	96	513
22	20	**Kraft Inc.**, Northbrook, Ill.	400,699	(14.4)	2,183	1,537	0	29,787	2,391	670
23	22	**American Home Products Corp.**, New York	390,391	(0.5)	216	1,193	0	13,907	103	3
24	27	**Mars Inc.**, McLean, Va.	378,559	19.3	660	3,977	0	10,991	342	56
25	24	**Coca-Cola Co.**, Atlanta	364,737	(1.5)	5,467	584	0	4,087	35	2,083
26	26	**Bristol-Myers Co.**, New York	358,934	7.6	553	2,375	485	37,964	41	87
27	29	**Quaker Oats Co.**, Chicago	344,414	12.5	2,032	1,351	0	26,147	789	102
28	28	**Nestle SA**, Vevey, Switzerland	340,825	9.6	2,476	3,685	0	25,044	1, 306	1,119
29	25	**U.S. Government**, Washington	311,299	1.4	3,996	NA	0	44,164	0	1,000
30	34	**Colgate-Palmolive Co.**, New York	279,813	7.9	1,754	362	0	7,810	411	4
31	35	**Sara Lee Corp.**, Chicago	278,141	8.4	5,360	1,846	0	27,438	1,895	260
32	32	**General Electric Co.**, New York	272,607	(5.3)	22,816	10,936	0	37,727	952	1,737
33	33	**Toyota Motor Corp.**, Torrance, Calif.	257,738	(0.8)	28,409	1,399	216	27,105	427	1,229
34	37	**American Cyanamid**, Wayne, N.J.	250,376	9.2	97	691	5,423	7,929	89	194
35	40	**Schering-Plough Corp.**, Madison, N.J.	250,184	17.8	235	1,435	534	29,202	83	263
36	51	**Walt Disney Co.**, Burbank, Calif.	249,823	52.4	5,040	1,184	0	7,978	175	277
37	42	**Honda Motor Co.**, Gardena, Calif.	245,365	19.5	25,536	244	0	42,701	389	102
38	39	**H.J. Heinz Co.**, Pittsburgh	245,264	12.2	1,252	3,265	0	18,375	778	18
39	30	**International Business Machines Corp.**, Armonk, N.Y.	240,846	(18.5)	18,915	8,926	0	35,389	858	95
40	36	**Grand Metropolitan PLC**, London, U.K.	231,574	(0.2)	6,234	519	0	50,696	2,703	5,696
41	41	**Campbell Soup Co.**, Camden, N.J.	230,708	10.6	2,579	1,330	0	22,766	365	687
42	38	**Tandy Corp.**, Fort Worth, Texas	225,052	2.4	NA	2,453	0	10,979	273	5
43	31	**BCI Holdings Corp.**, Chicago	223,208	(23.9)	3,862	4,038	0	11,260	331	222
44	43	**American Express Co.**, New York	212,479	5.1	14,278	2,489	0	26,012	2,027	50
45	44	**Time Inc.**, New York	196,579	3.4	15,551	4,875	0	51,404	1,310	101
46	48	**Pfizer Inc.**, New York	182,059	6.0	749	3,165	1,558	21,287	1,073	22
47	45	**Nissan Motor Co.**, Carson, Calif.	181,438	0.8	22,357	946	0	19,361	213	212
48	52	**IC Industries**, Chicago	169,309	4.7	1,734	320	0	4,100	68	108
49	47	**Volkswagen AG**, Wolfburg, W. Germany	167,257	(5.2)	25,141	234	0	23,270	106	1
50	50	**Mobil Corp.**, New York	166,285	(0.9)	6,366	2,229	253	3,744	360	94
51	49	**Revlon Group**, New York	165,239	(3.6)	1,586	196	0	36,517	2,013	14
52	84	**Hyundai Group**, Seoul	164,336	75.4	13,987	310	0	8,110	0	440
53	46	**U.S. Dairy Associations**, Rosemont, Ill.	161,372	(9.3)	35	4,573	0	9,748	313	1,207
54	72	**Beecham Group PLC**, Brentford, Middlesex, U.K.	153,307	34.6	66	675	920	6,325	23	65
55	63	**AMR Corp.**, Dallas	152,609	16.4	36,195	2,533	0	4,600	58	246
56	53	**Mazda Motor Corp.**, Irvine, Calif.	151,884	(3.0)	24,026	136	0	22,214	0	0
57	56	**American Brands**, New York	151,371	5.2	6,613	430	0	38,527	1,068	19,834
58	67	**ITT Corp.**, New York	151,321	21.7	3,851	6,898	0	12,699	287	1,310
59	77	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	149,749	35.3	896	12,537	4,978	41,676	2,119	112
60	65	**Bayer AG**, Leverkusen, W. Germany	145,392	15.3	613	2,353	5,647	2,673	1,052	167
61	62	**Adolph Coors Co.**, Golden, Colo.	144,664	10.3	1,607	318	0	1,680	0	3,041
62	74	**Nynex Corp.**, New York	142,798	27.1	19,457	679	0	4,655	1,520	235
63	71	**Bell Atlantic Corp.**, Philadelphia	138,618	21.4	5,776	2,321	0	8,865	213	514
64	58	**UAL Corp.**, Elk Grove Village, Ill.	137,790	0.5	29,368	1,336	0	7,927	68	60
65	57	**Dow Chemical Co.**, Midland, Mich.	135,689	(2.3)	267	3,974	1,488	17,237	332	49
66	75	**Noxell Corp.**, Baltimore	134,876	20.6	0	NA	0	24,109	0	0
67	59	**Hasbro Inc.**, Pawtucket, R.I.	134,308	(0.9)	1	46	0	5,970	0	0
68	60	**Texas Air Corp.**, Houston	124,343	(6.2)	67,287	1,280	0	4,054	375	1,575
69	76	**Hershey Foods Corp.**, Hershey, Pa.	122,809	10.6	458	127	0	6,574	0	112
70	73	**Seagram Co.**, Toronto	122,325	8.8	4,183	626	0	22,754	2,106	13,789
71	69	**Cosmair Inc.**, New York	117,224	(2.9)	859	14	0	31,561	990	2
72	68	**CPC International**, Englewood Cliffs. N.J.	115,329	(5.3)	703	1,724	0	6,928	265	812
73	79	**Kroger Co.**, Cincinnati	115,263	6.5	NA	NA	0	504	119	2,892
74	55	**Loews Corp.**, New York	115,200	(21.3)	4,010	329	0	27,280	3,861	24,385
75	87	**Dr Pepper/Seven-Up**, St. Louis	114,117	33.7	1,962	68	0	263	0	559
76	99	**Subaru of America**, Cherry Hill, N.J.	113,233	93.4	13,111	176	0	8,356	119	0
77	83	**Wm. Wrigley Jr. Co.**, Chicago	112,462	16.9	0	261	0	4,980	0	839
78	92	**Prudential Insurance Co. of America**, Newark, N.J.	111,319	58.3	4,503	775	0	16,082	3,464	542
79	91	**Warner Communications**, New York	110,428	38.8	3,932	26	0	1,295	66	155
80	80	**Delta Air Lines**, Atlanta	108,636	3.4	22,011	1,325	0	1,092	0	1,360
81	78	**Wendy's International**, Dublin, Ohio	107,599	(0.7)	NA	NA	0	483	0	2,026
82	88	**Philips NV**, Eindhoven, The Netherlands	107,226	27.9	366	4,385	0	9,445	166	4
83	82	**B.A.T. Industries PLC**, Louisville, Ky.	105,294	7.2	8,344	162	0	24,331	2,153	15,379
84	90	**Daimler-Benz AG**, Stuttgart, W. Germany	105,018	31.8	28,415	1,266	0	13,025	164	10
85	61	**Gillette Co.**, Boston	103,831	(21.0)	57	96	0	10,579	0	46
86	64	**Stroh Brewery Co.**, Detroit	102,878	(19.8)	748	168	0	295	0	986
87	85	**Clorox Co.**, Oakland, Calif.	102,132	13.0	842	2,740	0	8,929	936	14
88	96	**BMW AG**, Munich, W. Germany	99,456	61.1	16,143	14	0	22,311	0	0
89	54	**S.C. Johnson & Son**, Racine, Wis.	96,397	(36.2)	608	187	0	16,025	1,087	0
90	66	**Goodyear Tire & Rubber Co.**, Akron, Ohio	95,027	(24.0)	NA	1,197	855	3,781	0	120
91	97	**Hallmark Cards**, Kansas City, Mo.	93,913	53.9	7,897	NA	0	3,753	2,618	3
92	70	**E&J Gallo Winery**, Modesto, Calif.	93,602	(19.7)	145	NA	0	69	0	260
93	81	**MCA Inc.**, Universal City, Calif.	91,366	(12.6)	1,763	11	0	5,552	332	750
94	93	**Marriott Corp.**, Washington	88,523	27.4	46	978	0	4,793	95	1,031
95	100	**Franklin Mint**, Franklin Center, Pa.	86,620	71.0	13,121	9	0	31,733	17,497	0
96	98	**Southland Corp.**, Dallas	86,134	43.5	NA	218	0	184	0	2,414
97	95	**United Biscuits (Holdings) PLC**, London	84,758	32.0	262	692	0	1,266	0	0
98	89	**Borden Inc.**, New York	84,743	5.3	3,489	1,387	0	3,738	81	65
99	86	**Monsanto Co.**, St. Louis	84,689	(4.4)	858	2,908	5,997	5,069	76	3
100	94	**Ameritech**, Chicago	83,445	21.4	8,889	1,903	0	3,047	0	1,200

Note: Dollars are in thousands. **Source:** Newspaper from Media Records, business publication from MMS/Rome Reports, farm publication from Agricultural Marketing Information Services (AGRICOM), magazine, newspaper supplement and outdoor from BAR/LNA Multi-Media reports; except U.S. Government ad spending, which is from agencies of the federal government. U.S. Dairy Farmers include American Dairy Assn. and local dairy marketing boards. See "Where Ad Age got its data," Page 2. 1986 rank is restated to give historical reading.

Broadcast spending by 100 leaders

Rank '87	Rank '86	Company/headquarters	Total spending	'87-'86 % chg	Unmea-sured	Network TV	Spot TV	Network cable TV	Network radio	Spot radio
1	2	**Philip Morris Cos.**, New York	$1,557,846	7.4	$701,000	$330,778	$111,888	$20,522	$8,937	$29,489
2	1	**Procter & Gamble Co.**, Cincinnati	1,386,710	(7.6)	624,000	377,552	238,049	23,713	23,665	7,906
3	5	**General Motors Corp.**, Detroit	1,024,852	22.2	235,000	272,953	103,522	7,968	18,906	34,829
4	3	**Sears, Roebuck & Co.**, Chicago	886,529	(19.8)	665,000	89,973	25,765	2,327	52,701	21,211
5	4	**RJR Nabisco**, Atlanta	839,589	(6.1)	367,000	209,777	31,272	14,688	2,2 28	8,788
6	8	**PepsiCo Inc.**, Somers, N.Y.	703,973	9.7	250,000	140,342	271,069	3,742	5,203	19,766
7	9	**Eastman Kodak Co.**, Rochester, N.Y.	658,221	7.9	440,000	145,961	15,000	7,989	3,941	960
8	10	**McDonald's Corp.**, Oak Brook, Ill.	649,493	9.7	283,000	216,067	129,010	1,820	0	4,548
9	6	**Ford Motor Co.**, Dearborn, Mich.	639,510	(1.7)	149,000	161,177	50,292	6,118	19,766	14,861
10	7	**Anheuser-Busch Cos.**, St. Louis	635,067	(1.4)	240,000	186,948	83,767	22,943	23,456	43,550
11	11	**K mart Corp.**, Troy, Mich.	631,845	10.1	543,000	18,238	30,942	2,632	6,824	3,696
12	14	**Unilever NV/PLC**, Rotterdam/London	580,656	6.9	232,000	211,923	58,017	4,865	8,627	3,319
13	13	**General Mills**, Minneapolis	572,233	4.0	256,000	133,724	137,028	18,582	2,873	1,060
14	16	**Chrysler Corp.**, Highland Park, Mich.	568,722	12.9	125,000	151,569	82,836	6,684	4,874	17,345
15	12	**Warner-Lambert Co.**, Morris Plains, N.J.	558,115	0.9	365,000	102,472	41,682	2,123	24,614	2,397
16	15	**American Telephone & Telegraph**, New York	531,018	1.6	186,000	146,418	34,790	6,440	15,004	6,864
17	23	**Kellogg Co.**, Battle Creek, Mich.	524,865	41.3	216,000	237,985	61,925	4,496	17	0
18	17	**J.C. Penney Co.**, Plano, Texas	513,497	3.5	436,000	48,507	12,951	2,847	2,612	292
19	18	**Pillsbury Co.**, Minneapolis	473,895	(4.3)	225,000	104,335	118,776	1,300	0	16,366
20	21	**Johnson & Johnson**, New Brunswick, N.J.	459,271	11.8	229,000	181,999	8,953	2,569	138	1,349
21	19	**Ralston Purina Co.**, St. Louis	436,606	(8.7)	274,000	102,545	25,152	4,342	4,963	2,570
22	20	**Kraft Inc.**, Northbrook, Ill.	400,699	(14.4)	217,000	71,245	67,914	1,331	678	5,964
23	22	**American Home Products Corp.**, New York	390,391	(0.5)	167,000	182,057	14,917	7,254	2,534	1,208
24	27	**Mars Inc.**, McLean, Va.	378,559	19.3	169,000	130,271	38,439	14,877	8,569	1,388
25	24	**Coca-Cola Co.**, Atlanta	364,737	(1.5)	146,000	111,153	71,061	8,766	2,449	13,051
26	26	**Bristol-Myers Co.**, New York	358,934	7.6	169,000	134,419	8,239	4,615	0	1,157
27	29	**Quaker Oats Co.**, Chicago	344,414	12.5	166,000	104,107	32,877	3,156	1,212	6,641
28	28	**Nestle SA**, Vevey, Switzerland	340,825	9.6	160,000	86,607	48,924	3,847	3,6 20	4,198
29	25	**U.S. Government**, Washington	311,299	1.4	144,000	55,659	35,342	2,714	10,124	8,844
30	34	**Colgate-Palmolive Co.**, New York	279,813	7.9	177,000	68,572	22,614	342	197	749
31	35	**Sara Lee Corp.**, Chicago	278,141	8.4	145,000	66,917	24,814	1,121	2,701	781
32	32	**General Electric Co.**, New York	272,607	(5.3)	147,000	38,356	8,580	390	3,091	1,022
33	33	**Toyota Motor Corp.**, Torrance, Calif.	257,738	(0.8)	77,000	46,298	66,294	2,229	2,301	4,831
34	37	**American Cyanamid**, Wayne, N.J.	250,376	9.2	169,000	23,501	16,109	2,124	2,330	2,891
35	40	**Schering-Plough Corp.**, Madison, N.J.	250,184	17.8	127,000	66,038	8,186	2,870	10,641	3,696
36	51	**Walt Disney Co.**, Burbank, Calif.	249,823	52.4	145,000	19,326	54,402	1,672	0	14,770
37	42	**Honda Motor Co.**, Gardena, Calif.	245,365	19.5	67,000	78,065	17,063	5,244	4,360	4,661
38	39	**H.J. Heinz Co.**, Pittsburgh	245,264	12.2	147,000	46,549	25,541	2,128	69	290
39	30	**International Business Machines Corp.**, Armonk, N.Y.	240,846	(18.5)	115,000	53,738	1,548	472	5,434	469
40	36	**Grand Metropolitan PLC**, London, U.K.	231,574	(0.2)	123,000	15,935	25,790	1,002	0	0
41	41	**Campbell Soup Co.**, Camden, N.J.	230,708	10.6	91,000	60,687	30,481	2,666	14,763	3,383
42	38	**Tandy Corp.**, Fort Worth, Texas	225,052	2.4	169,000	34,898	360	868	3,356	2,861
43	31	**BCI Holdings Corp.**, Chicago	223,208	(23.9)	134,000	42,768	19,535	1,005	2,738	3,450
44	43	**American Express Co.**, New York	212,479	5.1	62,000	66,126	29,509	1,410	4,038	4,541
45	44	**Time Inc.**, New York	196,579	3.4	38,000	5,105	55,853	16,412	2,208	5,762
46	48	**Pfizer Inc.**, New York	182,059	6.0	109,000	43,412	1,493	301	0	0
47	45	**Nissan Motor Co.**, Carson, Calif.	181,438	0.8	38,000	46,680	43,593	453	2,735	6,890
48	52	**IC Industries**, Chicago	169,309	4.7	95,000	13,323	43,447	37	4,091	7,083
49	47	**Volkswagen AG**, Wolfburg, W. Germany	167,257	(5.2)	50,000	49,628	13,073	1,332	0	4,472
50	50	**Mobil Corp.**, New York	166,285	(0.9)	114,000	12,996	17,108	1,248	200	7,689
51	49	**Revlon Group**, **New York**	165,239	(3.6)	82,000	31,678	8,904	120	900	1,312
52	84	**Hyundai Group**, Seoul	164,336	75.4	47,000	13,205	76,487	0	0	4,797
53	46	**U.S. Dairy Associations**, Rosemont, Ill.	161,372	(9.3)	49,000	76,699	14,062	2,080	1	3,654
54	72	**Beecham Group PLC**, Brentford, Middlesex, U.K.	153,307	34.6	66,000	64,921	9,291	1,989	2,901	131
55	63	**AMR Corp.**, Dallas	152,609	16.4	41,000	26,115	23,971	809	976	16,106
56	53	**Mazda Motor Corp.**, Irvine, Calif.	151,884	(3.0)	36,000	51,623	14,538	3,083	0	264
57	56	**American Brands**, New York	151,371	5.2	75,000	6,778	2,107	195	356	463
58	67	**ITT Corp.**, New York	151,321	21.7	101,000	8,160	13,613	1,037	363	2,105
59	77	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	149,749	35.3	48,000	26,603	9,351	1,187	0	2,291
60	65	**Bayer AG**, Leverkusen, W. Germany	145,392	15.3	57,000	47,334	5,983	1,697	20,221	653
61	62	**Adolph Coors Co.**, Golden, Colo.	144,664	10.3	48,000	54,883	23,770	1,284	8	10,073
62	74	**Nynex Corp.**, New York	142,798	27.1	76,000	0	33,783	180	177	6,112
63	71	**Bell Atlantic Corp.**, Philadelphia	138,518	21.4	79,000	0	30,266	382	0	11,281
64	58	**UAL Corp.**, Elk Grove Village, Ill.	137,790	0.5	44,000	31,342	12,535	1,575	1,830	7,750
65	57	**Dow Chemical Co.**, Midland, Mich.	135,689	(2.3)	33,000	64,678	5,677	2,132	6,423	433
66	75	**Noxell Corp.**, Baltimore	134,876	20.6	57,000	48,992	3,570	545	0	659
67	59	**Hasbro Inc.**, Pawtucket, R.I.	134,308	(0.9)	27,000	26,697	72,148	2,445	0	0
68	60	**Texas Air Corp.**, Houston	124,343	(6.2)	21,000	42	12,974	152	0	15,604
69	76	**Hershey Foods Corp.**, Hershey, Pa.	122,809	10.6	51,000	30,932	25,296	2,105	2,678	3,528
70	73	**Seagram Co.**, Toronto	122,325	8.8	31,000	30,847	12,328	556	297	3,839
71	69	**Cosmair Inc.**, New York	117,224	(2.9)	40,000	28,797	13,832	0	356	813
72	68	**CPC International**, Englewood Cliffs. N.J.	115,329	(5.3)	71,000	13,480	18,302	2	54	2,059
73	79	**Kroger Co.**, Cincinnati	115,263	6.5	64,000	98	44,639	277	0	2,733
74	55	**Loews Corp.**, New York	115,200	(21.3)	55,000	0	296	9	0	31
75	87	**Dr Pepper/Seven-Up**, St. Louis	114,117	33.7	40,000	32,677	30,959	2,798	103	4,729
76	99	**Subaru of America**, Cherry Hill, N.J.	113,233	93.4	33,000	31,603	16,882	836	2,871	6,279
77	83	**Wm. Wrigley Jr. Co.**, Chicago	112,462	16.9	9,000	51,672	29,977	6,680	8,231	822
78	92	**Prudential Insurance Co. of America**, Newark, N.J.	111,319	58.3	29,000	48,597	2,126	3,808	1,775	647
79	91	**Warner Communications**, New York	110,428	38.8	64,000	13,287	23,488	3,002	195	982
80	80	**Delta Air Lines**, Atlanta	108,636	3.4	33,000	14,030	12,901	3,245	0	19,671
81	78	**Wendy's International**, Dublin, Ohio	107,599	(0.7)	26,000	46,772	31,706	143	0	469
82	88	**Philips NV**, Eindhoven, The Netherlands	107,226	27.9	54,000	34,100	2,618	1,723	386	33
83	82	**B.A.T. Industries PLC**, Louisville, Ky.	105,294	7.2	47,000	0	4,768	0	0	3,157
84	90	**Daimler-Benz AG**, Stuttgart, W. Germany	105,018	31.8	27,000	19,546	7,435	529	0	7,629
85	61	**Gillette Co.**, Boston	103,831	(21.0)	48,000	29,892	5,512	7,909	1,399	340
86	64	**Stroh Brewery Co.**, Detroit	102,878	(19.8)	45,000	35,567	15,764	1,358	518	2,475
87	85	**Clorox Co.**, Oakland, Calif.	102,132	13.0	26,000	40,123	14,670	6,894	0	983
88	96	**BMW AG**, Munich, W. Germany	99,456	61.1	24,000	27,475	5,082	1,580	0	2,852
89	54	**S.C. Johnson & Son**, Racine, Wis.	96,397	(36.2)	43,000	20,862	9,892	878	1,957	1,903
90	66	**Goodyear Tire & Rubber Co.**, Akron, Ohio	95,027	(24.0)	57,000	14,150	14,828	307	2,198	592
91	97	**Hallmark Cards**, Kansas City, Mo.	93,913	53.9	38,000	36,230	1,608	77	1,300	2,426
92	70	**E&J Gallo Winery**, Modesto, Calif.	93,602	(19.7)	30,000	57,777	4,908	308	0	136
93	81	**MCA Inc.**, Universal City, Calif.	91,366	(12.6)	37,000	19,722	18,257	3,612	137	4,231
94	93	**Marriott Corp.**, Washington	88,523	27.4	56,000	2,758	22,157	106	0	558
95	100	**Franklin Mint**, Franklin Center, Pa.	86,620	71.0	19,000	0	3,966	1,295	0	0
96	98	**Southland Corp.**, Dallas	86,134	43.5	34,000	68	30,693	241	0	18,317
97	95	**United Biscuits (Holdings) PLC**, London	84,758	32.0	49,000	28,058	5,438	44	0	0
98	89	**Borden Inc.**, New York	84,743	5.3	56,000	238	14,729	120	0	4,896
99	86	**Monsanto Co.**, St. Louis	84,689	(4.4)	29,000	32,580	4,423	592	1,637	1,547
100	94	**Ameritech**, Chicago	83,445	21.4	46,000	980	16,851	45	0	4,529

Note: Dollars are in thousands. **Source:** Network TV, spot TV, network cable TV and network radio from BAR/LNA Multi Media reports; spot radio from Radio Expenditure Reports.; except U.S. government ad spending, which is from agencies of the federal government. U.S. Dairy Farmers include American Dairy Assn. and local dairy marketing boards. See "Where Ad Age got its data," Page 2. 1986 rank is restated to give historical reading.

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	General Motors Corp.	$174,889	$146,430	19.4	17.1
2	Ford Motor Co.	100,690	76,136	32.3	15.7
3	Chrysler Corp.	70,166	42,203	66.3	12.3
4	Texas Air Corp.	67,287	63,417	6.1	54.1
5	Philip Morris Cos.	49,740	57,590	(13.6)	3.2
6	AMR Corp.	36,195	25,194	43.7	23.7
7	American Telephone & Telegraph	35,920	31,106	15.5	6.8
8	UAL Corp.	29,368	26,900	9.2	21.3
9	Daimler-Benz AG	28,415	23,340	21.7	27.1
10	Toyota Motor Corp.	28,409	22,878	24.2	11.0
11	Honda Motor Co.	25,536	21,087	21.1	10.4
12	Volkswagen AG	25,141	15,914	58.0	15.0
13	Trans World Airlines	24,366	29,329	(16.9)	32.1
14	Mazda Motor Corp.	24,026	13,514	77.8	15.8
15	General Electric Co.	22,816	26,987	(15.5)	8.4
16	Nissan Motor Co. Ltd.	22,357	17,627	26.8	12.3
17	Delta Air Lines	22,011	22,309	(1.3)	20.3
18	Pan American World Airways	21,489	18,784	14.4	40.0
19	RJR Nabisco	20,242	50,347	(59.8)	2.4
20	Nynex Corp.	19,457	18,614	4.5	13.6
21	International Business Machines	18,915	16,646	13.6	7.9
22	CBS Inc.	18,384	20,116	(8.6)	26.6
23	Southwest Airlines Co.	17,572	14,143	24.2	NA
24	Liberty Travel	16,990	13,871	22.5	NA
25	BMW AG	16,143	10,924	47.8	16.2

Source: Media Records. Note: Dollars are in thousands.

sales were down.

Advertising for the AT&T telephone card doubled to $12.1 million in 1987 as US Sprint entered the card fray with its own offering.

AT&T Telephones advertising dropped 33% to $11.5 million in 1987, with most of the spending in network TV.

Spending for informations systems grew to $24.9 million from $15.7 million in 1986, virtually all in network TV.

Through alliances with computer leaders Microsoft and, in October 1987, Sun Microsystems, AT&T is attempting to unify the different versions of the UNIX computer operating system. Rather than sell stand-alone computers, AT&T is putting together an integrated system that is meeting with market acceptance.

This strategy is deemed essential since AT&T's share of business revenues for personal computers through retail stores, fell to 2% in the first quarter of 1988 and to only 1% in the second quarter, according to StoreBoard, a Dallas-based market research company for the computer industry. For the comparable time period in 1987, StoreBoard estimated a 2% share for AT&T.

Mr. Grubman projects that the computer operations will break even by the end of 1989, more from cost reductions than from revenues. "But at least it went from a huge drag on earnings to neutral," he said.

AT&T's ability to cut costs is a big reason Mr. Grubman continues to be high on the company.

He forecasts doubled earnings over the next four years starting in 1988, 25% from growth in business, the rest from cost cutting.

AMERICAN TELEPHONE
& TELEGRAPH CO.
195 Broadway
New York, N.Y. 10007
(212) 644-1000

Marketing personnel: J. Kent Planck, corp vp-adv; Robert W. Watson, corp media dir; Ross Markwardt, dir-corp adv; R. Zack Manna, mgr-corp adv; Jacqueline R. Byrne, Linda B. Urben, Alvin M. Winters, dist mgrs-corp adv; Steve Cross, dist mgr-corp event mktg; Douglas K. Ritter, corp broadcast mgr.

Brands/services by agency of record:

Corp adv

Ad agency: N W Ayer, New York: Fred McClafferty, sr vp-mgmt super.

■

Black adv

Hispanic adv

Ad agency: UniWorld Group, New York: Herman Morales, sr vp; Linda Dukette, vp-acct super.

AT&T Consumer Markets

Marketing personnel: Kim Armstrong, dir-adv.

Brands/services by agency of record:

Consumer long-distance

Ad agency: N W Ayer, New York: David Gantman, sr vp-mgmt super.

■

Ethnic adv

Ad agency: Bermudez Associates, Beverly Hills, Calif.: Jim Golightly, vp-acct super.

■

Business svcs

Ad agency: McCann-Erickson, New York: Tom Driscoll, sr vp.

■

Computers

Ad agency: Ogilvy & Mather Direct, New York: Shelly Lazarus, sr vp-genl mgr.

■

Special svc long-distance

Ad agency: Young & Rubicam, New York: Mort Lowenstein, sr vp-mgmt super.

AT&T Consumer Products

Marketing personnel: A. Lee Blitch, adv mgr.

Brands/services by agency of record:

Telephones

Ad agency: N W Ayer, New York: Alan Reisberg, acct super.

AT&T Business Markets

Marketing personnel: Charles L. Mitchell Jr., dir-adv & sales promo.

Brands/services by agency of record:

Business long-distance

Ad agency: McCann-Erickson, New York: Hank O'Brien, sr vp-group mgmt dir.

■

Business mkts

Business PBX

Business phone systems

Ad agency: Ogilvy & Mather, New York: Kelly O'Dea, sr vp-group dir.

■

US direct calling card

Ad agency: Young & Rubicam, New York: Mort Lowenstein, sr vp-group dir.

AT&T Network/Technologies

Marketing personnel: P. Mike Neavill, mgr-adv & promo.

Brands/services by agency of record:

AT&TNetwork/Technologies

Ad agency: Foote, Cone & Belding, New York: Jim Bernegger, sr vp.

AT&T American Transtech

Marketing personnel: Michael N. Granieri, dir-corp comm.

Brands/services by agency of record:

AT&T American Transtech

Ad agency: Husk, Jennings & Overman, Jacksonville, Fla.: Gary Husk, sr vp.

RANK
100

Ameritech

Chicago
ADVERTISING: **$ 83.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	9,536	9,362	1.9
Earnings	1,188	1,138	4.4
■ Division sales	1987	1986	% chg
Interstate access	1,793	1,881	(4.7)
Intrastate access	578	606	(4.6)
Toll svc	1,155	1,098	5.2
Directory, other	1,479	1,249	18.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8,889	7,532	18.0
Business pub	1,903	412	362.2
Magazine	3,047	4,346	(29.9)
Outdoor	1,200	1,179	1.8
Network TV	980	0	NA
Spot TV	16,851	13,676	23.2
Network cable	45	0	NA
Spot radio	4,529	3,620	25.1
Measured	37,445	30,763	21.7
Unmeasured	46,000	38,000	21.1
Total	83,445	68,763	21.4

Ameritech's corporate umbrella ad campaign themed "Solutions That Work" was severely challenged this spring when a suburban Chicago fire knocked out service, in some cases for several weeks, to about 35,000 Illinois Bell customers.

The Mother's Day fire tested the mettle of the Ma Bell spinoff as 400 workers were dispatched to rebuild a crucial Hinsdale, Ill., switching station that had relayed some 3.5 million calls daily before its meltdown in early May.

To combat the disruption in service that drifted into June, Illinois Bell quickly broke spot radio ads explaining the delay and advertised in the suburban and Chicago metro dailies about temporary telephone locations. A Small Business Administration loan-assistance program was set up in August to help businesses affected by the fire. Illinois Bell ultimately may have to set up a special fund to compensate customers for losses.

Clearly, the worse case scenario in Illinois was not what Ameritech had in mind when it launched the corporate campaign with a case studies approach on the heels of its Pan American games tie-in.

In 1987, Ameritech marketing highlighted its role as official communications company for the tenth games held in Indianapolis. It was the first use of Ameritech as a brand name in the marketplace. The "Solutions" campaign picked up where the Pan Am games marketing left off with case histories on other customers, including the University of Illinois and John Deere & Co.

Ameritech general promotion ad spending rose 9.8% to $4.5 million in 1987 to back "Solutions." The search is on for a new agency to replace J. Walter Thompson, USA, which had handled the $10 million corporate account before accepting the Bell Atlantic account. Finalists include Bayer Bass Vanderwarker, Grant/Jacoby, Tatham-Laird & Kudner, all Chicago and Ross Roy, Bloomfield Hills, Mich. The new agency will pick up the current theme, and focus on it in the business community, said David Parker, advertising manager. The new agency also is expected to develop an investor relations ad program, he said.

AA estimates Ameritech's 1987 overall ad spending at $83.4 million, up 22% from 1986. In seven measured media, ad spending rose 15% to $22.1 million in 1987, according to BAR/LNA. Aside from spending for Yellow Pages, the largest measured ad expenditure went to Illinois Bell. Spending doubled to $5.2 million from 1986, with about 86% of that allocated to spot TV. Residential and business campaigns were both themed, "Just Call."

Michigan Bell spending dipped by 5.3% to $1.8 million, with most of the spending in spot TV. Ohio Bell spending rose 7% to $1.5 million, almost all in spot TV. Its business campaign was themed, "Solutions that Work." Wisconsin Bell spending was about flat at $1.2 million, and Indiana Bell advertising declined 8% to $407,700. Its business advertising, was themed much like the rest: "Solutions without Problems."

In 1987, Ameritech formed two operating companies. Ameritech Bell Group consists of Bell companies serving Illinois, Indiana, Michigan, Ohio and Wisconsin, Ameritech Communications, Ameritech Services and Ameritech Applied Technologies. Results from this operating unit were flat.

The second company, Ameritech Enterprise Group—consisting of Ameritech Mobile Communications, Ameritech Publishing, Ameritech Credit and ADR (Applied Data Research)—accounted for Ameritech's revenue gain for the year, and for more than half its net income growth. ADR, a systems software firm, was sold for $170 million this month to Computer Associates International, Garden City, N.J.

Among new services introduced for residential customers were public announcement services offering time, weather reporting, traffic, health and sports reports, and Automated Pay-Per-View cable TV, which enables customers to order programs by dialing a certain number, is available in several communities.

Automatic reading of gas, electric and water meters via customer telephone lines is being tested in some markets. One quarter of the region's meters are expected to be read by phone by 1993.

Business customers accounted for nearly one third of Ameritech Bell Group revenues in 1987. Ameritech is developing new network architecture that includes the Integrated Digital Network which permits simultaneous transmission of voice, data and video communication over a single telephone line and is now in service at McDonald's corporate headquarters in Oak Brook, Ill.

Ameritech Mobile, now in 15 markets, increased [illegible] by 47% in 1987. Mobile Access Data Service was introduced to allow customers to use their cellular phone with lap top computers.

Ameritech Publishing, which grew 13% in revenues in 1987, publishes 500 PagesPlus directories and specialty directories. Ameritech's single highest ad expenditure backed Publishing—$7.1 million, up 16%. PagesPlus Video was tested at several company locations. It displays information on restaurants, shops, sports and more and has the capacity to print out information.

The division's first Industrial Yellow Pages directory outside the Ameritech region, in western Pennsylvania and western and central New York, debuted in 1987. Ameritech also established a five-year agreement with Nippon Telephone and Telegraph to publish English language directories in Tokyo and Osaka.

AMERITECH
30 S. Wacker Drive
Chicago, Ill. 60606
(312) 750-5000

Marketing personnel: Gary G. Drook, vp-mktg; [illegible] A. Koten, sr vp-corp comm; Sarina A. Butler, dir-adv & external affairs; David H. Parker, adv mgr.

Brands/services by agency of record:

Corp adv

Ad agency: unavailable at time of publication.

Illinois Bell Telephone Co.
Chicago

Marketing personnel: Allen J. Cizner, vp-mktg; Carol Comeaux, dir-adv.

Brands/services by agency of record:

Illinois Bell

Ad agency: N W Ayer, Chicago: Tim Prosch, sr vp-mgmt super, dir-acct mgmt; Sarah Flax, acct super.

Indiana Bell Telephone Co.

Herbert D. Crane, vp-mktg; James H. Irwin, dist mgr-adv.

Brands/services by agency of record:

Indiana Bell

Ad agency: Handley & Miller, Indianapolis: Larry Landis, acct super.

Michigan Bell Telephone Co.

Marketing personnel: Kenneth B. Lange, vp-mktg; Dennis A. White, div mgr-adv.

Brands/services by agency of record:

Michigan Bell

Ad agency: Ross Roy Inc., Detroit: Richard Simmons, sr vp-group mgr; George Petroff, vp-acct super.

Ohio Bell Telephone Co.

Marketing personnel: Robert Hudzik, vp-mktg; John P. Butler, div mgr-adv & planning; Fran Schiavo, dist adv mgr.

Brands/services by agency of record:

Ohio Bell

Ad agency: Lowe Marschalk, Cleveland: John Willse, sr vp-mgmt svcs dir; Leslie Baldizzi, vp-mgmt super.

Wisconsin Bell Telephone Co.
Milwaukee, Wis.

Marketing personnel: Dennis Johnson, vp-mktg; Carla M. Butenhoff, district mgr-adv.

Brands/services by agency of record:

Wisconsin Bell

Ad agency: Cramer Krasselt, Milwaukee: William Faude, sr acct exec; Karen Elsesser, acct exec.

Ameritech Mobile Communications
Chicago

Marketing personnel: Phillip D. Knell, vp-sales & mktg; Katherine R. Boudas, vp-comm; Ronald Jankowski, mgr-comm svcs.

Brands/services by agency of record:

Ameritech Mobile Communications

Ad agency: Ogilvy & Mather, Chicago: Curt Ippensen, sr vp-mgmt rep; Bob Gustafson, vp-acct super; Donna Albergo, acct exec.

Ameritech Publishing
Troy, Mich

Marketing personnel: Sam J. Iaquinta, dist mgr-adv & branding; Vicki Croxton, Jeff Natoce, adv mgrs.

Brands/services by agency of record:

Ameritech publishing

Ad agency: Ross Roy Inc., Detroit: James Quigley, sr vp-mgmt super; Kevin Wixted, acct super.

Applied Data Research
Princeton, N.J.

Marketing personnel: Lois Hilimire, vp-prod mktg; Robert G. Gordon, dir-comm

Brands/services by agency of record:

Applied Data Research

Ad agency: Ephron, Raboy, Tsao Advertising, New York: Dave King, acct exec

RANK
55

AMR Corp.

Dallas
ADVERTISING: **$ 152.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	7,198	6,018	19.6
Earnings	198	279	(28.9)
■ Division sales	1987	1986	% chg
Passenger	6,151	4,961	24.0
Other	1,047	1,058	(1.0)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	36,195	25,194	43.7
Business pub	2,533	1,379	83.6
Magazine	4,600	4,339	6.0
Newsp supp	58	0	NA
Outdoor	246	206	19.1
Network TV	26,115	18,453	41.5
Spot TV	23,971	31,215	(23.2)
Network cable	809	486	66.4
Network radio	976	433	125.3
Spot radio	16,106	14,390	11.9
Measured	111,609	96,098	16.1
Unmeasured	41,000	35,000	17.1
Total	152,609	131,098	16.4

Although AMR Corp. had a financially disappointing year in 1987, the parent of American Airlines posted record results for the first quarter of 1988.

The nation's No. 3 carrier attributed outstanding quarterly performance to a 21% increase in revenue passenger miles with a corresponding jump in capacity of 20%. Additionally, yield—the average price charged per revenue passenger mile—rose by 11%.

Heartened by first quarter results—net profits of $68.4 million on operating revenues of $1.96 billion compared to 1987 first quarter net profit of $19.9 million on operating revenues of $1.5 billion—Robert Crandall, chairman/president-CEO, told shareholders that positive financial results are due to the carefully executed growth strategy designed to reduce unit costs.

He attributed the net earnings decline for full-year 1987 to a strike threat in December, unusually severe winter weather that disrupted operations at several key cities and unrealized foreign exchange losses stemming from foreign currency financing.

Nevertheless, American anticipates strong growth in 1988 based in part on strategies initiated in 1987.

New hubs at Raleigh-Durham, N.C. and Nashville, Tenn., continue to expand while international service is growing.

The carrier inaugurated service from its Dallas-Fort Worth hub to Madrid and increased service to Paris by adding a daily

Top 25 business pub advertisers

Rank	Advertiser	Business publication expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	American Telephone & Telegraph	$16,507	$19,850	(16.8)	3.1
2	E.I. du Pont de Nemours & Co.	12,537	9,724	28.9	8.4
3	Hewlett-Packard Co.	11,594	8,036	44.3	25.6
4	General Electric Co.	10,936	13,737	(20.4)	4.0
5	General Motors Corp.	9,658	10,256	(5.8)	0.9
6	NEC Corp.	9,446	8,912	6.0	17.3
7	International Business Machines	8,926	13,307	(32.9)	3.7
8	3M	8,886	8,722	1.9	15.7
9	Tektronix Inc.	7,754	NA	NA	NA
10	Motorola Inc.	7,071	NA	NA	NA
11	Compaq Computer Corp.	7,001	NA	NA	NA
12	ITT Corp.	6,898	6,133	12.5	4.6
13	Honeywell Inc.	6,543	NA	NA	NA
14	Eastman Kodak Co.	6,045	5,707	5.9	0.9
15	Caterpillar Tractor Co.	5,669	NA	NA	NA
16	NCR Corp.	5,474	NA	NA	NA
17	Ford Motor Co.	5,448	5,251	3.7	0.9
18	Toshiba Corp.	5,321	5,127	3.8	12.1
19	Emerson Electric Co.	5,309	NA	NA	NA
20	McGraw-Hill Publications Co.	5,189	NA	NA	NA
21	Tyson Foods	5,148	3,528	45.9	12.2
22	Parker Hannifin Corp.	4,938	NA	NA	NA
23	Time Inc.	4,875	5,564	(12.4)	2.5
24	Texas Instruments	4,709	NA	NA	NA
25	Premark International	4,649	NA	NA	NA

Source: Basic data from MMS/Rome Reports. Parent company research by Kevin Brown and Donna Endy. **Note:** Dollars are in thousands.

flight from Raleigh-Durham. A non-stop flight from New York's JFK Airport to Zurich was added in May.

American's San Juan hub, launched in 1987, has made the carrier the largest in Puerto Rico, and the leading airline to and from the Caribbean. That status will be enhanced by the upcoming establishment of a flight crew base in Miami in January 1989. Further expansion will come from a flight attendant crew base in Nashville.

The carrier has reached the midpoint of its long-term growth plan and is on track except for delivery delays for aircraft which have delayed Raleigh-Durham expansion about six months, said an American spokeswoman.

American began to reap the benefits of its 1987 AirCal merger, which was completed smoothly. The airline now has a significant presence in the West Coast. Another expansion area centered on the acquisition of five of its seven American Eagle carriers, the smaller commuter airlines which service American hubs.

Deep discounts did not dominate airline fare advertising for the first six months of 1988. Instead, service quality was the theme for the top carriers.

American took the lead in this advertising message with its summer 1987 service campaign, followed by ads based on U.S. Department of Transportation performance data. American positioned itself as the top-rated major carrier—particularly in on-time performance.

To accentuate its theme, "Something special in the air," the carrier in spring 1988 began its "On-Time Machine" campaign based on the carrier's dependability performance. Media included TV, print and direct mail.

Like other major carriers, American matched Delta Air Line's triple mileage offer for frequent fliers during the first quarter of 1988. After that quarterly spurt, American re-evaluated the long-term cost of its frequent flier program. And like United Airlines, it announced revisions effective in 1989 to essentially raise mileage requirements and place a time frame on awards.

The company however said it remains committed to this marketing tool to reinforce brand loyalty. American was the first carrier to offer a frequent flier program.

Following the departure of R.A. McKinnon, VP advertising and marketing programs, Michael Buckman assumed the title of VP-passenger sales and advertising while George Mueller was named VP-customer services. Jim Simon, as managing director-advertising, took on advertising responsibilities formerly handled by Ann Smits, who left.

Donna Coyne was named to the new position of manager-domestic advertising.

AMR CORP.
P.O. Box 61616
Dallas-Fort Worth Airport,
Texas 75261
(817) 355-1234

Marketing personnel: Michael W. Gunn, sr vp-mktg; Michael Buckman, vp-passenger sales & programs; George Mueller, vp-customer svcs; Jim Simon, mng dir-adv; Donna Coyne, mgr-domestic adv.

Brands/services by agency of record:

Domestic passenger & freight

Ad agencies: Bozell, Jacobs, Kenyon & Eckhardt Southwest, Dallas: Paul Gold, exec vp; Thomas Hooke, sr vp-group acct dir; Patsy Tryon, sr vp-mgmt rep.

Milici Valenti Smith Park Advertising, Honolulu: Norm Blackburn, sr vp.

RANK
10
Anheuser-Busch Cos.

St. Louis
ADVERTISING **$ 635.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	9,019	8,402	7.3
Earnings	615	518	18.7
■ Division sales	**1987**	**1986**	**% chg**
Beer, beer-related	6,376	5,898	8.1
Food products	1,627	1,553	4.6
Diversified operations	264	247	6.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	11,409	11,744	(2.9)
Business pub	1,099	843	30.4
Magazine	11,893	18,335	(35.1)
Newsp supp	421	910	(53.7)
Outdoor	9,580	7,130	34.4
Network Tv	186,948	177,496	5.3
Spot TV	83,767	97,999	(14.5)
Network cable	22,943	19,487	17.7
Network radio	23,456	16,529	41.9
Spot radio	43,350	50,420	(13.6)
Measured	395,067	400,893	(1.5)
Unmeasured	240,000	243,000	(1.2)
Total	635,067	643,893	(1.4)

Anheuser-Busch Cos. embarrassed the marketing departments of its beer industry rivals in 1987. By far America's largest and the world's biggest beer seller, the St. Louis brewer saw its U.S. market share rise to 42.1% from 1986's 39.7% even as total industry shipments dropped 0.4%.

Of A-B's $9.02 billion in revenue in 1987, $6.38 billion, or 70.7%, came from beer sales. That success, no doubt, was partly attributable to major advertising changes for two key rivals, Miller Brewing Co. and Stroh Brewing Co., which early this year switched advertising agencies or campaigns for major brews. In a sense, it also was responsible for Hal Riney & Partners resigning as an A-B agency; unwilling to depart from successful campaigns, A-B gave Riney little business.

The numbers tell the story. A-B sold 76.1 million barrels of beer, 42% of the total beer sold in the U.S. and 5.2% over the previous year. Four of its 12 beers were among the top 10 U.S. sellers. Flagship Budweiser grew 2.7%, shipping an industry-leading 50.4 million barrels, alone accounting for nearly 28% of all American beer sold.

Bud Light grew 19.7% partly on the strength of its association with Spuds MacKenzie. Spuds was so successful that A-B drafted it to do a corporate safe drinking campaign. Even competitor, Stroh Brewery, showed an English bull terrier of Spud's demeanor in its commercials.

Busch beer, A-B's subpremium-priced product, grew 11.7% and Natural Light grew 15.4%.

Only Michelob, A-B's superpremium beer, proved a trouble spot with sales for the three Michelob brands slipping 3%. Early in 1988, A-B dropped most separate advertising for Michelob Light and put the $31.5 million it saved into its main Michelob campaign. It also drafted Frank Sinatra, himself an A-B distributor, to do commercials for Michelob. And to further shore up the brand, A-B announced plans to bring out a dry beer under the Michelob name on Sept. 1.

A-B's overall ad spending showed little change in 1987 from 1986, with measured advertising reported at $395.1 million, down from $400.9 million the previous year, according to BAR/LNA.

A-B's success is more surprising in that A-B had no entry in the hot-selling draft beer category. A-B is continuing to test an Irish-style ale in two markets and this summer rolled out a dark German-style Anheuser Marzen beer in St. Louis. It also expanded distribution of its King Cobra malt liquor.

A-B's success allowed it to open a Fort Collins, Colo. brewery early this year and, in turn, expand distribution of the Busch beer brand westward. Last year A-B added Wyoming and Utah and this year Colorado and Montana to Busch's distribution. Busch beer now is distributed in all but nine western states and could go national within the next year. A-B also is expanding breweries in Newark and Tampa and has announced plans for a new brewery in Cartersville, Ga.

A-B's success at promoting its beers, not only through advertising but through sales promotion, sales meetings and production of its own TV programming, brought some side benefits.

A-B has been increasingly successful in selling those same services to non-competing companies. In April, Busch Creative Service opened its own Chicago office to serve non-A-B accounts.

Past sales promotion problems, however, continued to haunt A-B. Late in 1987, two top ex-officials, Joseph E. Martino, VP-sales, and Michael A. Orloff, director of marketing-wholesale operations, sued A-B over their departures. In May they were indicted and accused of scheming to take kickbacks from A-B external promotion agencies. The trial, due to start in September, was expected to reveal some uncommon A-B practices.

If beer sales in the U.S. were A-B's strong point, sales of other products and overseas sales of beer proved weaker links.

After a second try at selling wine coolers, A-B's Dewey Stevens suffered the same fate as its first attempt, Baybry's Champagne Coolers, but Dewey Stevens was not so quietly put to sleep. Zeltzer Seltzer, another product of the beverage group, announced with great hoopla and featuring advertising from Hal Riney & Partners, failed to get the heavy advertising originally expected. Without the wine cooler volume, A-B sold off Zeltzer, and the rest of its beverage group, Saratoga and Sante mineral waters. A-B continues to produce Master Cellars wines.

Analysts said the beverage group's sales were too small for A-B to pay attention to the products, once A-B stopped selling wine coolers.

A-B also ran into trouble with its Eagle Snacks premium snack line and despite its having available capacity, A-B decided to keep distribution east of the Rocky Mountains until it solved some marketing problems. A-B began a new campaign early in 1988, featuring "Odd Couple" stars Jack Klugman and Tony Randall and said it expected national distribution by some products late in the year.

A-B had better success with Campbell-Taggart, its baking company, which reported improved profitability. A-B said its Busch Entertainment division, also had a successful years at its Busch Gardens in Williamsburg, Va. and Tampa. The A-B-owned St. Louis Cardinals won the National League pennant in 1987, losing the World Series in the last game.

In foreign markets, A-B gained greater distribution, but continued to have troubles in Great Britain and was being soundly beaten in Canada. In Japan, however, A-B captured 50% of the import market. A-B reorganized its European operations in May 1988, moving headquarters to Spain and putting the head of European operations on the company board.

ANHEUSER-BUSCH COS.
One Memorial Dr.
St. Louis, Mo. 63102
(314)577-2000

Corporate personnel: Michael Roarty, exec vp & dir-mktg.

Marketing personnel: Jack MacDonough, vp-brand mgmt; Charles B. Fruit, vp-corp media & sports mktg, vp-coo, Busch Media Group; Thomas Sharbaugh, group brand dir, Budweiser, Bud Light, Carlsberg, Carlsberg Light, Elephant Malt Liquor; Robert J. Goughenour, group brand dir, Michelob, Michelob Light, Michelob Classic Dark; Robert Merz, group brand dir, Busch, Natural Light, LA, King Cobra; Robert Gunthner, sr brand mgr, Budweiser; Joseph V. Corcoran, sr brand mgr, Bud Light; Michael J. Owens, sr brand mgr, Busch; Peter C. Rozzell, sr brand mgr, Michelob; Donald Meyer, sr brand mgr, Michelob Light & Classic Dark; Brian Porter, sr brand mgr, Natural Light, LA; William E. Bra[illegible], sr brand mgr, imports; Al Cummings, sr brand mgr, King Cobra; Dennis Murphy, dir brand planning, O'Doul's Irish Ale, Anheuser Marzen; Jerry Solomon, vp-genl mgr, Busch Media Group, New York; Bill Benz, vp-genl mgr, Busch Media Group, St. Louis; Terry Poulos, vp-genl mgr, Anheuser-Busch Beverage Group; Tony Ponturo, dir-media svcs; Joe Castellano, dir-sports mktg; Tom Barton, mgr-Budsports; Carol Kelleher, mgr-entertainment mktg group; Scott Murdock, dir-merch & sale promo; Michael O'Sullivan, mgr-merch dept.

Brands/services by agency of record:

Budweiser
LA
Natural Light
Corp adv

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Todd Abrams, sr vp-acct group dir; James Palumbo, sr vp-mgmt super, Budweiser; Timothy R. Rodgers, vp-mgmt super, Natural Light & LA; Richard Lalley, vp-acct super, Budweiser; Terry Lucas, vp-acct super, Natural Light & LA; Robert E. Murphy, vp-acct super, corp; Fred Wolter, acct super, Budweiser; Herbert D. Condie, vp-acct super, corp; Carl Strom, acct exec, corp.

■

Bud Light
Busch
Michelob brands
Ballygowan
Corp adv

Ad agency: DDB Needham Worldwide, Chicago: John Greening, group acct dir, beer; Ray Gillette, group acct dir, Ballygowan; Bob Lachky, mgmt rep, Busch, Bud Light; Don Richards, mgmt rep, Michelob brands; Bill Syrett, acct super, Busch; Ed Frechette, acct exec, Busch; Mark Leitner, acct super, Bud Lite; Brooke Chapman, acct exec, Bud Lite; Peter Kuntz, Alan Cohen, acct supers, Michelob; Senn Moses, acct super, Michelob Light; Scott Rabschnuk, acct exec, Michelob Light; David Beals, acct super, Ballygowan; Lisa Henson, acct exec, Ballygowan; Ralph Kurek, super-field activities.

■

Carlsberg
Elephant Malt Liquor
Eagle Snacks

Ad agency: TBWA Advertising, New York & St. Louis: Page Murray, acct exec, Carlsberg, Elephant Malt Liquor; Amy Cohen, acct exec, Eagle Snacks.

■

Campbell Taggart's Earth Grains Breads
Break Cake
Rainbow Bread
Country Hearth
Grant's Farm

Ad agency: Bloom Agency, Dallas: Charles J. Calise, mgmt super.

■

King Cobra

Ad agency: Equinox Advertising, Chicago: Stuart Rankin, partner.

■

Hispanic mktg

Ad agency: Castor Spanish International, New York: Robin Robert, acct super.

■

Black adv

Ad agency: Caroline Jones Advertising, New York: Gina Ross, acct super.

RANK
83
B.A.T. Industries PLC

Louisville, Ky.
ADVERTISING **$ 105.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	27,127	28,133	(3.6)
Earnings	752	843	(10.8)
■ U.S.	**1987**	**1986**	**% chg**
Sales	5,835	5,499	6.1
Operating income	886	844	5.0
■ Division sales	**1987**	**1986**	**% chg**
Tobacco	9,481	10,718	(11.5)
Retail	5,182	5,832	(11.1)
Paper	2,540	2,447	3.8
Other	777	1,189	(34.6)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8,344	5,139	62.4
Business pub	162	NA	NA
Magazine	24,331	18,651	30.5
Newsp supp	2,153	1,700	26.6
Outdoor	15,379	20,146	(23.7)
Spot TV	4,768	5,995	(20.5)
Spot radio	3,157	2,611	20.9
Measured	58,294	54,241	7.5
Unmeasured	47,000	44,000	6.8
Total	105,294	98,241	7.2

Batus Inc., the U.S. arm of B.A.T. Industries, added a "fourth business leg" of financial services to its tobacco, retailing and paper companies after it won its fight in August 1988 to take over Farmers Group Inc. of Los Angeles in a $5.2 billion deal.

With Farmers Group, B.A.T.'s reliance on its tobacco contribution will be reduced to 50% in operating income from 62%. Currently, B.A.T. obtains 23% of its operating income from retailing and 15% from paper—both of which provided disappointing results in 1987.

During 1987, Batus's tobacco operation—Brown & Williamson Corp.—experienced a "banner year" despite declines in its domestic market share. A key to B&W's strong performance was excellent sales growth in the Far East.

B&W claimed the largest share of Batus' measured advertising, or $39.4 million, up 4.5% from 1986, according to the seven media tracked by BAR/LNA. The expenditure counted for 67% of total measured spending at Batus.

B&Ws share of the total domestic cigarette market declined to 11% in 1987 from 11.7% in 1986, according to estimates by John C. Maxwell Jr., analyst with Wheat First Securities Inc., Richmond, Va. In 1985, B&Ws share was 11.9%.

B&W's flagship Kool brand fell to 6% of market in 1987 from 6.4% the year before, according to Mr. Maxwell, while its competitor—Loews Corp.'s Lorillard's Newport brand—increased its market share to 4.2% from 3.8% in 1986.

B&W also saw a decline in market share for its brands in the "price/value segment." The price/value category—which includes generic cigarettes—accounts for about 10% of the cigarette market. B&W products account for 22.4% of all price/value cigarettes sold in the U.S., down from 26.6% last year, according to Mr. Maxwell.

Top 25 farm publication advertisers

Rank	Advertiser	Farm publication expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**Imperial Chemical Industries PLC**	$8,299	$7,726	7.4	17.2
2	**Ciba-Geigy Ltd.**	7,159	6,622	8.1	12.0
3	**Monsanto Co.**	5,997	5,501	9.0	7.1
4	**Bayer AG**	5,647	5,341	5.7	3.9
5	**American Cyanamid**	5,423	5,376	0.9	2.2
6	E.I. du Pont de Nemours & Co.	4,978	3,832	29.9	3.3
7	Deere & Co.	4,366	5,904	(26.1)	NA
8	Rhone-Poulenc	4,284	1,874	128.6	NA
9	Ford Motor Co.	4,267	4,475	(4.6)	0.7
10	Elanco Products Co.	4,233	5,251	(19.4)	NA
11	**Tenneco Inc.**	3,378	2,715	24.4	9.8
12	**General Motors Corp.**	3,355	2,263	48.3	0.3
13	**FMC Corp.**	2,448	2,783	(12.0)	NA
14	**Sandoz Ltd.**	2,094	1,519	37.9	3.6
15	**MSD Agvet, Merck & Co.**	1,891	1,530	23.6	NA
16	Pioneer Hi-Bred International	1,881	2,146	(12.3)	NA
17	BASF Corp.	1,845	1,600	15.3	NA
18	IMC International	1,739	826	110.5	NA
19	Hoechst-Roussel	1,603	1,671	(4.1)	NA
20	Upjohn	1,575	1,909	(17.5)	NA
21	**Pfizer Inc.**	1,558	1,067	46.0	0.9
22	**Dow Chemical Co.**	1,488	1,388	7.2	1.1
23	**Ralston Purina Co.**	1,143	1,229	(7.0)	0.3
24	**Farnam Cos.**	1,122	716	56.7	NA
25	**Deutz/Allis Corp.**	1,101	1,006	9.4	NA

Source: Agricultural Marketing Information Services (AGRICOM). **Note:** Dollars are in thousands.

The largest branded generic, R.J. Reynolds Tobacco's Doral, had introductions of Ultra Lights and Full Flavor packings in late 1986. The brand achieved a 3% overall market share, which is more than 30% of the price/value segment. RJR had 37.8% of the low-price market overall last year.

Measured advertising for Kool continued its decline—and hit second place in the amount of money B&Ws spent on measured advertising for its brands. Kool dropped to $12.3 million in 1987, down 39.1% from 1986. In 1985, measured advertising for Kool had been $28.9 million.

Thomas E. Sandefur Jr., B&W's president-CEO, told trade specialists in May 1987 that the company is focusing more on in-store promotions and direct mail. Those areas are not measured by BAR/LNA.

In 1987, B&W started a "Kool & Milds Today" campaign involving heavy unmeasured advertising in regions where there is a large population of menthol smokers. The promotion involves "buy-one-get-one-free" promotions and point-of-purchase displays.

The brand that got the most money for measured advertising was Richland—a "value for money" products—with $13.2 million in 1987, down 8.2% from 1986. In late 1987, B&W began testing Richland 20s, with 20 cigarettes in the package compared to 25 cigarettes in Richland 25s.

Capri, an ultra-slim cigarette, received $11.7 million in measured media. Capri, which is designed to appeal to female smokers, was introduced nationwide in July after being in test since January 1987. In 1987, the brand sold one billion units. The brand has been heavily promoted in areas of non-measured advertising as well. A $2-off coupon was used in test markets to generate interest. In addition, a major sweepstakes promotion was begun in May.

As part of the promotion, customers could win a trip to Paris with $50,000 cash as a grand prize. Other prizes included pearl necklaces, gold bracelets and beauty baskets. The Paris "cachet" was expected to encourage Capri trial use among females and build excitement for the brand. Advertising for the brand is handled by Geer, DuBois of New York.

Two other brands in test were dropped in late 1987 and early 1988, respectively—Eli Cutter, a non-menthol male-oriented, full-flavored brand and Kim 25s, a full-value brand targeted primarily at women smokers. The company said results were below expectations.

In January, B&W announced that it is testing another brand with the new slender style—Barclay Lights Ultra Thins, which is the same size as Capri—17mm in circumference. Standard cigarettes are about 25mm; some thin cigarettes already on the market are about 21mm.

The slims market segment amounts to about 6% of total U.S. cigarette sales.

The new Barclay brand is aimed at women and men because the company has found that it appeals equally to both. B&W began testing them in Atlanta and other areas of Georgia in November 1986. That area was selected because Barclay has strong appeal there.

In February 1987, B&W switched ad agencies for Kool and Kim 25s to William Esty Co., New York (now Campbell-Mithun-Esty), from Ogilvy & Mather, Chicago. O&M had held the account only since April 1986.

Last June, Esty got another creative assignment from B&W—Viceroy cigarettes, which had not been getting any advertising. Esty also handles Barclay in the U.S.

All media buying for B&W products is done by O&M.

Batus sold about 40% of its retailing operations in 1986, including Fredrick & Nelson, Crescent, Kohl's and Gimbels department stores. The major continuing Batus retailing businesses are Saks Fifth Avenue, Marshall Field's, Ivey's, Breuners and Thimbles.

Measured advertising dropped at Marshall Field's by 9% to $3.38 million and at Saks Fifth Avenue by 23% to $1.61 million. Ivey's measured spending grew 44% to $520,500.

The company said 1987 was a difficult year for its retail business with sluggish consumer spending, higher import costs, competitor markdowns and the October stock market crash which affected the fourth quarter.

In fall 1987, Batus announced major investment plans, including a $110 million renovation of Marshall Field's historic flagship store in Chicago and a five-year, $300 million nationwide expansion and modernization of Saks.

Ivey's experienced a tough year as the consolidation of the Florida and Carolina divisions proved to be a greater disruption to the business than planned. The consolidation is now complete.

Farmers Group, founded in 1928, controls a variety of auto, home, property and casualty and life insurers that do business in 26 Western states. It is the nation's third-largest home and auto insurer, behind State Farm and Allstate, and the seventh-largest property and casualty insurance company. It has about $11 billion in assets and is involved solely in insurance except for a small real estate operation.

The insurer had sales of $1.1 billion (which includes $286 million in life insurance premiums, $169 million in life insurance investment income and $678 million in management fees, according to Tom Welch, director of corporate investments for Farmer's Group Inc.) and per-share earnings of $3.09 in 1986. Sales have grown at an annual rate of 19% and profits at 16% during the past five years.

B.A.T. INDUSTRIES
Windsor House, 50 Victoria Street
London SW1H 0NL

Batus Inc.
2000 Citizens Plaza
Louisville, Ky. 40202
(502) 581-8000
Appleton Papers
Appleton, Wis.

Corporate personnel: John W. Turner, chmn-ceo; Dale H. Schumacker, president-coo.

Marketing personnel: Daniel W. McIntosh, vp-mktg & sales; Steven Buggy, adv mgr.

Brands/services by agency or record:

Carbonless paper

Ad agency: Cramer-Krasselt, Milwaukee, Wis.: Cory Block, acct super.

■

Graphic arts
Thermal papers

Ad agency: Yelton-Kennerly, Appleton, Wis.: Jeff Yelton, acct exec.

John Breuner Co.
San Ramon, Calif.

Corporate personnel: Thomas G. Grimes, chmn-ceo.

Marketing personnel: Larry Gross, dir-mktg; Jim Wisniewski, adv dir.

Brands/services by agency of record:

Breuner stores

Ad agency: Media West, Oakland, Calif.: Gil Macey, president.

Brown & Williamson Tobacco Co.
Louisville, Ky.

Marketing personnel: I.D. MacDonald, dir-established brands; Robert J. Miller, group prod dir; James L. Hendricks, group prod dir; Walt Carpenter, group prod dir; R.D. Sharp, group prod dir, special projects; Susan H. Trebilcock, sr brand mgr; G.B. Miningham, sr brand mgr; N.G. Naughton, sr brand mgr; K.J. Brotzge, brand mgr; D.E. Seagle, brand assoc; Z.A. Crutchfield, brand assoc; Gail Lyttle-Green, brand assoc; N.J. Wilkerson, brand assoc; J.C. Land, brand assoc; C.L. Barlow, brand assoc; M.A. Canovan, brand assoc; R.M. Grimes, brand assoc; Fran Canary, mgr-mktg svcs; Nancy S. Spriggs, mgr-media svcs; D.A. Sutherland, adv & production asst; D.G. Fryman, super-promo couponing; F.A. Adams, special promo mgr; L.W. Butler, vp-sales; Charles Middleton, dir-sales devel & admin; Mark Kovatch, dir-natl accts & trade devel.

Brands/services by agency of record:

Capri
Richland 25s
Richland 20s

Ad agency: Geer, DuBois, New York: Michael Garcia, mgmt super; Tony Graetzer, acct super.

■

Kool
Viceroy
Barclay

Ad agency: Campbell-Mithun-Esty, New York: Lawrence Wassong, president-coo; John Neal, exec vp-acct dir; Michael Alrich, vp-mgmt super; Chuck Cilo, exec vp-exec creative dir; Dom Pelliccio, sr vp-sr creative dir; Al Saperstein, sr vp-creative dir; Paul Cimaglia, Tom Conrad, vps-art dirs.

Ivey's Carolina
Charlotte, N.C.

Corporate personnel: Donald Midkiff, president & ceo.

Marketing personnel: Richard L. Schwab, sr vp-sales promo.

Brands/services by agency of record:

Ivey's

Ad agency: (In-house): Richard L. Schwab, sr vp-sales promo.

Marshall Field's
Chicago, Ill.

Corporate personnel: Philip B. Miller, chmn-ceo; Burnett Donoho, president-coo.

Marketing personnel: Katharine Davis, vp-direct response; Christina Johnson, sr vp-home store & direct response; David Ball, vp-mktg; Robert Cappelli, sr vp-sales promo.

Brands/services by agency of record:

Marshall Field's stores

Ad agency: (In-house): Creative Field's: Robert Cappelli, sr vp-sales promo.

Saks Fifth Avenue
New York

Corporate personnel: Melvin Jacobs, chmn-ceo; Burton M. Tansky, president.

Marketing personnel: Paul Le Blang, sr vp-dir mktg; Helen O'Hagan, vp-pr; William Berta, sr vp-sales promo & adv; Becky Wong Young, creative dir; Linda Gaunt, dir-fashion publicity & pr mgr.

Brands/services by agency of record:

Saks Fifth Avenue stores

Ad agency: (In-house): Ross Bonanno, production mgr.

RANK
60

Bayer AG

Leverkusen, W. Germany
ADVERTISING: **$ 145.4** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	20,700	21,335	(3.0)
Earnings	861	755	14.0
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	4,190	3,789	10.6
Operating income	123	107	15.2
■ ***Division sales***	***1987***	***1986***	***% chg***
Mobay	1,787	1,710	4.5
Miles	1,460	1,264	15.5
Agfa-Gevaert	467	449	4.0
Compugraphic Corp.	367	341	7.6

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	613	205	199.3
Business pub	2,353	3,264	(27.9)
Magazine	2,673	1,670	60.1
Newsp supp	1,052	913	15.2
Farm pub	5,647	5,341	5.7
Outdoor	167	119	39.8
Network TV	47,334	39,235	20.6
Spot TV	5,983	6,951	(13.9)
Network cable	1,697	1,158	46.5
Network radio	20,221	16,206	24.8
Spot radio	653	1,088	(40.0)
Measured	88,392	76,149	16.1
Unmeasured	57,000	50,000	14.0
Total	145,392	126,149	15.3

Bayer USA, the Pittsburgh-based American unit of West German parent, Bayer AG, got increased revenues across the board during an active year for product development.

Leading the growth in new products were consumer products marketed by Miles Inc. of Elkhart, Ind., and the specialized lines of Mobay Corp. of Pittsburgh; Agfa-Gevaert Inc. of Ridgefield Park, N.J. and Compugraphic Corp. of Wilmington, Mass.

The U.S. operations represented 20% of worldwide sales, down from 22% in 1986. Deutschmarks were converted to dollars at the average exchange rate of 2.17 DM to the dollar in 1986, the same conversion used by Bayer internally. The 1987 conversion rate was 1.79108.

Miles, which was second to Mobay in sales and first in growth among the American subsidiaries, dropped "Laboratories" from its name to reflect a broader focus.

Miles grew 15.5% in sales, but 59% in profit to $46.1 million during 1987. Miles, which does the vast majority of Bayer USA's advertising, also promoted heavily the familiar lines from which some of the new products sprang—especially Alka-Seltzer.

The Alka-Seltzer family accounted for 61% of the $79.1 million in measured advertising credited to Bayer USA by BAR/LNA. The $48.3 million spent on the line was up 25% from 1986, an increase that included expenditures for new entries, Extra Strength Alka-Seltzer and Alka-Seltzer Plus Night-Time Cold Medicine.

Miles believes it has strengthened its sales efforts in consumer healthcare by reorganizing into food and non-food divisions, as well as developing a unit to concentrate on national accounts.

The company claimed a 23% increase in sales for S.O.S. Glass Works, which competes with Drackett Co.'s Windex and Texize's Glass Plus. The window cleaner, in its second year, was assisted by a $6.2 million measured advertising expenditure, up 5.6%.

Miles also is capitalizing on the S.O.S. name with a lemon-scented steel wool soap pad, with a multimedia ad campaign launched at the beginning of this year.

Miles boosted advertising for its vitamin tablets to $17.6 million, up 39% from the prior year. The two components in the expenditure include Flintstones childrens chewable vitamins ($11.7 million advertising, up 33%) and One-A-Day Within vitamin tablets ($5.9 million, up 54%).

Marketing is building up for Cipro, which was approved by the FDA in the fourth quarter of 1987 for treatment of a variety of infections, and Prolastin, a drug for treatment of emphysema that was cleared in December. Still awaiting FDA approval are Baypress, for hypertension, and Nimotop, for treatment of hemorrhages.

Bayer places more than half its U.S. advertising in network TV. Network radio claimed another quarter of ad spending, according to BAR/LNA. The company tripled its tiny newspaper commitment and increased its magazine exposure by 60%.

Bayer USA spent more than $100 million on research and development for the fourth straight year. It finished the $36 million first phase of the Miles Research Center in West Haven, Conn., and selected its Berkeley, Calif. site to pilot production of DNA Factor VIII, for hemophiliacs.

Miles divested two small units, the disposable laboratory equipment business in Naperville, Ill. and the Cutter Biomedical cast business in Berkeley, Calif.

Mobay introduced the Salute broad-spectrum grass and broadleaf herbicide and Pryfon termite killer in its agricultural chemical line; launched new pigments, Quindo and Palomar and brought to market a dual-density shoe sole polyurethane system boasting a light, shock-resistant inner sole and an outer sole that is slip-proof and oil resistant.

Agfa-Gevaert, the photographic-product subsidiary, placed Agfa 35mm film in Walgreen drugstores during 1987 and converted Moto Photo to exclusive Agfa film product use. It also introduced an Agfastar photo-processing system, Supermaster offset duplication and other camera and darkroom products.

BAYER AG
K-KF Borsen, Weltpapiere
5090 Leverkusen
West Germany

Bayer USA
One Mellon Center
500 Grant St.
Pittsburgh, Pa. 15219-2502
(412) 394-5500.
Mobay Corp.
Pittsburgh, Pa.

Marketing personnel: Richard L. White, exec vp-mktg; Richard J. Donati, mgr-industrial adv.

Brands/services by agency of record:

Mobay Corp.

Ad agency: Della Femina, McNamee WCRS, Pittsburgh, Pa.: T.R. Erkman, vp-acct super.

Agricultural Chemicals Division
Kansas City, Mo.

Corporate personnel: H.K. Wehner, vp-genl mgr.

Marketing personnel: Hendrik Heesman, mktg dir; R.K. Miller, adv mgr.

Brands/services by agency of record:

Herbicides
Insecticides

Ad agency: Valentine-Radford, Kansas City, Mo.: Graeme Blasdel, acct super-herbicides; Phil Schroeder, acct super-insecticides.

Animal Health Division
Shawnee Mission, Kan.

Corporate personnel: F.O. Halter, vp-genl mgr.

Marketing personnel: F.G. Koring, mktg dir.

Brands/services by agency of record:

Small animal products

Ad agency: Richardson, Myers & Donofrio, Baltimore, Md.: Jim Palmer, acct exec.

■

Equine products

Ad agency: Stephens & Associates, Overland Park, Kan.: Chuck Stephens, acct exec.

Miles Inc.
P.O. Box 40
Elkhart, Ind. 46515
(219) 264-8111
Consumer Healthcare
Elkhart, Ind.

Marketing personnel: J.W. Howell, corp vp, div president; G.R. Fleischer, vp-mktg; R.C. Foyle, vp-sales; M.B. Streicker, dir-media operations.

Corporate media buying: Clifford A. Botway Inc., New York: Clifford A. Botway, chmn; Edward Kobza, president.

Brands/services by agency of record:
Miles overseas military
Miles trade adv
Ad agency: Boger, Martin, Fairchild & Co., Elkhart, Ind.: Robert M. Boger, president.

■

Hispanic adv
Ad agency: Conill Advertising Associates, New York: Maria da Silva, acct super.

■

Alka-Seltzer
Flavored Alka-Seltzer
Extra Strength Alka-Seltzer
Ad agency: McCann-Erickson, New York: John Dooner, exec vp.

■

One-A-Day vitamins
Bactine antiseptic
Bugs Bunny & Flintstones vitamins
Ad agency: Tatham-Laird & Kudner, Chicago: Bill Youngclaus, ceo.

■

Alka-Seltzer Plus Cold Medicine
Ad agency: Wells, Rich, Greene, New York: Kenneth Olshan, chmn WRG Worldwide; John Costello, exec vp.

Consumer Household Products
Chicago

Marketing personnel: S.M. Reim, corp vp, div president; M.N. Redlin, vp-mktg; H.G. Fitts, vp-mktg svcs; R.R. Rowe, vp-U.S. sales.

Brands/services by agency of record:
S.O.S Soap Pads
Ad agency: Griffin Bacal, New York: Marsha Badanes, sr vp-group dir; Kristin Tartaglia, acct super.

■

Clinical hospital prods
Ad agency: Goble & Associates, Chicago: Ed Goble, president.

■

S.O.S. Glass Works Glass Cleaner
Ad agency: Zwiren & Partners, Chicago: Tim Collins, partner; Tom Lohr, sr acct exec.

Biotechnology Products
Elkhart, Ind.

Marketing personnel: K.E. Seeger, corp exec vp, div president; H.C. Stalter, vp-domestic mktg; J.A. Foster, dir-domestic mktg.

Brands/services by agency of record:
Biotechnology prods
Ad agency: Ash Advertising, Elkhart, Ind.: J.B. Ash, president.

Diagnostics
Elkhart, Inc.

Marketing personnel: R.G. Stoll, corp exec vp, div president; A.D. Fiorillo, exec vp-mktg & sales; K.M. Murphy, mgr-mktg comm.

Brands/services by agency of record:
Diabetes consumer & professional prods
Ad agency: Abelson-Taylor, Chicago: Dale Taylor, exec vp; Cindy Stone, acct super.

■

Clinical hospital prods
Ad agency: Goble & Associates, Chicago: Ed Goble, president.

Pharmaceutical
West Haven, Conn.

Marketing personnel: H.K.D. Wallrabe, corp exec vp, div president; G.B. Rosenberg, vp-mktg & sales; J.J. Patchen, dir-prod mgmt; Valerie English, group prod mgr-cerebro-cardiovasculars; M.G. Wokasch, group prod mgr-anti-infectives; R.J. Lamb, dir-sales.

Brands/services by agency of record:
Cipro
Mezlin
Ad agency: Medicus Intercon, New York: John Ibelli, sr vp.

■

New prods
Ad agency: Thomas J. Ferguson Associates, Parsippany, N.J.: Thomas Ferguson, president.

Hollister Stier
Spokane, Wash.

Marketing personnel: R.M. Galustian, group exec vp, head-allergy business unit; Rey Yvars, dir-mktg & sales; Charles Gursky, natl sales mgr.

Brands/services by agency of record:
Allergenic extracts
Ad agency: Clark-White & Associates, Spokane, Wash.: Doug Herd, acct exec.

Biological

Corporate personnel: R.M. Galustian, group exec vp, head-biological svcs unit.

Marketing personnel: W.G. Johnson, vp-mktg & sales; G. Horton, dir-sales.

Brands/services by agency of record:
Intravenous immune globulin
Alpha I proteinase inhibitor
Ad agency: Deltakos Inc., New York: Bob Vogel, acct exec.

■

Blood bag line
Ad agency: Rainoldi-Kerzner & Radcliffe, San Francisco: Jay Kerzner, vp-acct svcs.

■

Coagulation prods
Ad agency: Rolf Werner Rosenthal Inc., New York: Bruce Leeb, acct group super.

■

Gammune N
Ad agency: Carrafiello, Diehl & Associates, New York: Dave Ricco, acct exec.

Agfa-Gevaert
Ridgefield Park, N.J.

Corporate personnel: Robert Coppenath, president.

Brands/services by agency of record:
Corp adv
Ad agency: Wegman Associates, Wayne, N.J.: John Gallagher, acct exec.

■

Consumers prods
Ad agency: Kalmar Advertising, Fort Lee, N.J.: Doris Wiese, acct exec; Gloria Antonelli, media coord.

Compugraphic Corp.
Wilmington, Del.

Marketing personnel: David Costa, vp-domestic mktg; Peter Broderick, mgr-mktg comm; Audrey Smith, asst adv mgr.

Brands/services by agency of record:
Compugraphic Corp.
Ad agencies: (In-house): Audrey Smith, asst adv mgr.

■

Direct mktg
Ad agency: Rizzo Simons Cohn, Boston: Len Short, vp-direct mktg.

Haarmann & Reimer Corp.
Springfield, N.J.

Marketing personnel: James F. Reynolds, dir-mktg, flavor group; J.T. Murnane, dir-sales, flavor group; Robert A. Higgins, vp-sales & mktg, fragrance group; Eckhard H. Schmidt, dir-mktg, fragrance group; Robert F. Zutic, mgr-sales, aroma chemicals group; Horst A. Finkelmeier, mgr-mktg, aroma chemicals group.

Brands/services by agency of record:
Haarmann & Reimer
Ad agency: Peabody Corners, Hillsdale, N.Y.: Helga Buettner, acct exec.

RANK
43

BCI Holdings Corp.

Chicago
ADVERTISING: **$ 223.2** MILLION

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	3,862	3,652	5.8
Business pub	4,038	2,800	44.2
Magazine	11,260	11,725	(4.0)
Newsp supp	331	195	69.9
Outdoor	222	227	(2.1)
Network TV	42,768	47,666	(10.3)
Spot TV	19,535	34,123	(42.8)
Network cable	1,005	517	94.3
Network radio	2,738	4,361	(37.2)
Spot radio	3,450	12,110	(71.5)
Measured	89,208	117,375	(24.0)
Unmeasured	134,000	176,000	(23.9)
Total	223,208	293,375	(23.9)

BCI Holdings Corp., the parent of Beatrice Co., had yet another watershed year in its roller coaster history.

Chairman-CEO Donald Kelly's resignation this August capped a year of twists and turns that had culminated in a July announcement that BCI no longer was actively involved in any acquisition or sale talks. That announcement came after a parade of possible buyers, including Quaker Oats Co., Unilever and RJR Nabisco, sized up the Beatrice's U.S. Foods companies.

President-CEO Frederick Rentschler assumed day-to-day control of the new Beatrice, which once again is an operating company—but of vastly diminished proportions. Reporting to Mr. Rentschler are the presidents of Beatrice's three remaining divisions: Swift-Eckrich, headquartered in Oak Brook, Ill.; Beatrice/Hunt-Wesson, located in Fullerton, Calif. and Beatrice Cheese, based in Milwaukee.

Gone are the nonfood brands Mr. Kelly placed under the E-II Holdings umbrella and planned to use as a foundation for future acquisitions. E-II was acquired in February for about $1.1 billion by American Brands, Old Greenwich, Conn., in a "Pac-Man" defense launched after Mr. Kelly first presented a tender offer for American Brands in January. Many of the E-II brands—including Culligan water treatment systems, Samsonite luggage, Stiffel lamps and Martha White Foods—were subsequently spun off from American Brands to Riklis Holdings.

Also gone from the Beatrice umbrella is Tropicana Products, the Bradenton, Fla.-based fruit juice marketer sold to Jos. E. Seagram & Sons in March.

BCI's 1987 measured media spending totaled $89.2 million, down 24%; excluding the divested brands, spending was $65.7 million.

Beatrice/Hunt-Wesson introduced a handful of new products during the past year. Notable were a canned Hunt's spaghetti sauce, rolled out nationally with $1.2 million in measured spending support and LaChoy Fresh & Lite Oriental frozen entrees and egg roll entrees,

Chicago
doesn't need
another Ad
Agency.

When your business is creating advertising, it's all too easy to see it as the end instead of the means.

But if your company is going to prosper in the long run, the last thing you need is an agency that can't see past its advertising.

You need an agency that delivers long-term strategic thinking that is the cornerstone, not just of your advertising, but of every facet of your communications. Because advertising, public relations, sales promotion, direct marketing and Yellow Pages should all work together. To deliver a singular focused message that clearly tells everyone what you want him to hear.

At the same time, we don't think even the best strategies will take you anywhere in today's marketplace without compelling, gut-grabbing creative.

Now that's the kind of thinking Chicago does need. The kind of thinking you'll get from one of Chicago's newest, largest communications organizations. Ketchum.

Advertising
Ketchum
Mandabach
& Simms

Public Relations
Ketchum
Public
Relations

Sales Promotion
William A.
Robinson

Yellow Pages
Ketchum
Yellow
Pages

Ketchum Communications Inc.

© 1988, Ketchum/Mandabach & Simms

Top 25 consumer magazine advertisers

Rank '87	Rank '86	Advertiser	Magazine expenditures 1987	Magazine expenditures 1986	% chg	Total spending 1987	Total spending 1986	Measured spending 1987	Measured spending 1986	Mag. $ as % '87 ad total
1	1	**Philip Morris Cos.**	$243,331	$225,132	8.1	$1,557,846	$1,451,170	$856,846	$875,170	15.6
2	3	**General Motors Corp.**	153,985	129,409	19.0	1,024,852	838,912	789,852	646,912	15.0
3	4	**Ford Motor Co.**	125,491	125,161	0.3	639,510	650,875	490,510	498,875	19.6
4	2	**RJR Nabisco**	105,674	120,281	(12.1)	839,589	894,237	472,589	503,237	12.6
5	6	**Chrysler Corp.**	100,446	95,994	4.6	568,722	503,571	443,722	892,571	17.7
6	5	Procter & Gamble Co.	79,611	87,105	(8.6)	1,386,710	1,500,268	762,710	825,268	5.7
7	7	American Telephone & Telegraph	76,270	74,015	3.0	531,018	522,551	345,018	339,551	14.4
8	11	Unilever N.V.	58,259	47,297	23.2	580,656	543,242	348,656	326,242	10.0
9	9	Time Inc.	51,404	50,528	1.7	196,579	190,026	158,579	153,026	26.1
10	25	Grand Metropolitan PLC	50,696	48,707	4.1	231,574	232,055	108,574	109,055	21.9
11	13	**U.S. Government**	44,164	48,179	(8.3)	305,843	354,927	161,843	187,927	14.4
12	18	**Honda Motor Co.**	42,701	32,518	31.3	245,365	205,307	178,365	149,307	17.4
13	20	**E.I. du Pont de Nemours & Co.**	41,676	31,613	31.8	149,749	110,681	101,749	75,681	27.8
14	24	**American Brands**	38,527	39,282	(1.9)	151,371	143,919	76,371	72,919	25.5
15	23	**Bristol-Myers Co.**	37,964	30,218	25.6	358,934	333,488	189,934	176,488	10.6
16	10	General Electric Co.	37,727	36,705	2.8	272,607	287,744	125,607	132,744	13.8
17	19	Revlon Group	36,517	36,031	1.3	165,239	171,402	83,239	86,402	22.1
18	14	International Business Machines Corp.	35,389	39,008	(9.3)	240,846	295,518	125,846	154,518	14.7
19	—	Eastman Kodak Co.	32,884	25,846	27.2	658,221	610,192	218,221	202,192	5.0
20	—	Johnson & Johnson	32,816	22,471	46.0	459,271	410,959	230,271	205,959	7.1
21	—	**Sony Corp.**	31,862	32,612	(2.3)	79,669	87,772	57,669	63,772	40.0
22	—	**Franklin Mint**	31,733	18,674	69.9	86,620	50,651	67,620	39,651	36.6
23	—	**Cosmair Inc.**	31,561	24,468	29.0	117,224	120,701	77,224	79,701	26.9
24	22	**Capital Cities/ABC**	30,783	30,555	0.7	64,974	63,346	56,974	55,346	47.4
25	8	**CBS Inc.**	30,193	27,910	8.2	69,090	67,854	59,090	57,854	43.7

Source: Publishers Information Bureau as reported by BAR/LNA reports. **Note:** Dollars are in thousands.

launched in late 1987.

Two new flavors, caramel and sour cream & onion, were added to the nation's leading microwave popcorn, Orville Redenbacher, which claims about a 30% share of the $300 million market. General Mills' Pop Secret is second with an estimated 24% share, with Pillsbury third at about 9%. Measured spending on the entire Orville Redenbacher line totaled $10.7 million.

Late last year, Hunt-Wesson pulled its remaining brands—LaChoy and Rosarita foods—from J. Walter Thompson, Chicago, and reassigned them to primary agencies Dailey & Associates, Los Angeles and Ketchum Advertising, San Francisco.

The Swift-Eckrich division introduced Swift International entrees, and Swift microwaveable breakfast sandwiches. It invested $2.5 million in measured spending in a continuing battle with Hillshire Farm for a stronger position in the $110 million precooked breakfast sausage market.

The bulk of the division's spending—$8.8 million—supported its Butterball turkeys.

County Line cheese, Beatrice's major branded cheese, received a new TV and print ad campaign from Bozell, Jacobs, Kenyon & Eckhardt's Midwest office. Measured spending rose 36.8%, to $1.7 million.

Tropicana, in its last year within the Beatrice organization, received about one-fifth of total BCI spending, or $20.7 million. In November, Tropicana added a 96-oz. plastic jug in selected markets, and in February, introduced Tropicana Twisters fruit beverages after a successful test.

BEATRICE CO.
2 N. LaSalle St.
Chicago, Ill. 60602
(312) 782-3820

Corporate personnel: Frederick B. Rentschler, president-ceo

Beatrice/Hunt-Wesson
Fullerton, Calif.

Marketing personnel: Albert J. Crosson, president-ceo

Brands/services by agency of record:

Hunt's All Natural barbecue sauce
LaChoy prods
Sunlite oil
Peter Pan peanut butter
Hunt's Snack Pack
Swiss Miss cocoa and pudding
New prods

Ad agency: Dailey & Associates, Los Angeles. Michelle Mauk, vp-mgmt super; Mike Fiedling, acct super.

■

Orville Redenbacher prods
Fisher nuts
Hunt's tomato paste, sauce and spaghetti sauce
Hunt's ketchup
Manwich sauces
Rosarita
Wesson oils
New prods

Ad agency: Ketchum Advertising, San Francisco. Diane Snedaker, president; John Faville, vp, dir-acct svcs; Pat Martin, mgmt supers; Tony Balmer, Bill McGee, Dennis Sones, acct supers.

Swift-Eckrich
Oak Brook, Ill.

Marketing personnel: Lee O. Lochmann, president; Greg Ostrander, VP-mktg

Brands/services by agency of record:

Eckrich smoked sausage, franks, cold cuts
Agency of record

Ad agency: Leo Burnett USA, Chicago. William Boris, exec vp; Michael Hall, acct dir.

■

Butterball turkey
Swift Premium Brown & Serve products

Ad agency: Grey Advertising, New York. Richard M. Karp, exec vp-creative svcs.

■

Butterball deli prods
Eckrich deli prods
Swift Premium deli prods

Ad agency: Zechman & Associates, Chicago. Richard Brayer, mgmt super.

Beatrice Cheese
Milwaukee

Marketing personnel: Robert H. Burns, president

Brands/services by agency of record:

Cheese

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Chicago. Ric Cooper, president.

RANK
54

Beecham Group PLC

Brentford, Middlesex, U.K.
ADVERTISING: **$ 153.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,796	3,342	13.6
Earnings	648	592	9.4
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	1,024	903	13.4
Operating income	220	264	(16.7)
■ ***Division sales***	***1987***	***1986***	***% chg***
Pharmaceuticals	661	NA	NA
Consumer prods	363	NA	NA

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	66	205	(67.8)
Business pub	675	398	69.5
Magazine	6,325	5,043	25.4
Newsp supp	23	0	NA
Farm pub	920	889	3.4
Outdoor	65	0	NA
Network TV	64,921	47,010	38.1
Spot TV	9,291	5,209	78.4
Network cable	1,989	1,142	74.2
Network radio	2,901	4,987	(41.8)
Spot radio	131	36	265.9
Measured	87,307	64,918	34.5
Unmeasured	66,000	49,000	34.7
Total	153,307	113,918	34.6

With an eye to the bottom line, Beecham Group PLC ended its nearly 10-year venture in the U.S. cosmetics business with its sale of Beecham Cosmetics Inc. this August, a sale that concludes a series of divestitures in the past two years.

Beecham's U.S. operations have become focused on more profitable pharmaceuticals, OTC medicines and toiletry businesses under the direction of Robert P. Bauman, chairman of the Brentford, Middlesex, U.K. company.

To support these core businesses, 1987 advertising spending rose to an estimated $154.9 million, a 34.5% increase that also included $7.3 million in ad spending on the disposed brands, according to BAR/LNA.

Ad growth largely came from increased expenditures for the Aqua-Fresh, Calgon and Massengill brands, including line extensions of all three.

By far, the largest spender was Aqua-Fresh toothpaste, with $16 million in measured media, nearly double 1986 spending.

The boost in part, can be attributed to the roll-out of Aqua-Fresh Tartar Control toothpaste in spring 1988.

The company reports a 77% increase in brand sales from the introduction. The brand's market share has been slipping since it notched a 12% share in 1984. It slipped to 11.5% in early 1986, and 10.5% in 1987, far behind Procter & Gamble's Crest, with 39% and Colgate-Palmolive's Colgate toothpaste at 23%.

Another line extension, Liquid Tums, introduced in 1988 may signify a push for Tums to become a category leader. Currently, it holds a 13% share of all antacids, including chewables, liquids and effervescents. Tums' share of the $360 million category (manufacturers dollars) is not far behind P&G's Pepto-Bismol's 18% share.

Of chewables—a $148 million business—Tums has 35% of the business, followed by Warner-Lambert's Rolaids with 30%. Spending for the brand was $10.2 million, up about 5%.

Other line extensions include N'ICE throat spray, supported with $1 million in measured spending and Aqua Velva Skin Conditioning Moisturizing Lotion After Shave.

New products include two children's bubblebath products, Miss Piggy's Pink Bananas and Kermit's Krazi Berri.

In 1987, Beecham pulled Delicare and a number of other products from Avrett, Free & Ginsberg. The Delicare casualty was directly related to Beecham's suit against Yankelovich, Skelly & White/Clancy, Schulman market research company for "faulty market research" provided Beecham in the launch of Delicare laundry liquid detergent—a product that received $8.2 million in measured spending in 1986 before being dropped in 1987. The $24 million suit was settled out of court in August 1988.

Another Beecham agency, Ogilvy & Mather, picked up creative work for Lectric Shave and Calgon water softener, both products previously handled by AF&G.

Lectric Shave advertising has been virtually nil until it got an infusion of $2.5 million, virtually all in network TV. Calgon advertising rose from only $1.5 million for the brand to $5.6 million for its varied extensions. Calgon Complete Laundry Aid was added to the line in 1987.

Massengill disposable douche received a medicated douche line extension and a big advertising boost to $9.9 million in measured spending, up from $2.6 million in 1986. Another extension, Massengill Soft Cloth Towelettes, has been added recently.

Amoxil, a broad-spectrum antibiotic, remains the company's largest selling pharmaceutical and continues to be the most frequently dispensed new prescription in the U.S., according to the company.

It is the mainstay in the profitable pharmaceutical segment at Beecham. The segment provided 82% of the operating income in North and South America in fiscal 1988, or about $180 million on sales of $661 million, while American consumer product sales of $363 million generated operating profit of $40 million.

British pounds in this report were converted to U.S. dollars at the exchange rate of 1£ = $1.5764 for both 1986 and 1987.

Augmentin, another broad-spectrum antibiotic from Beecham, showed strong growth in the U.S.

Applications were made to the FDA in June 1988 for Eminase, a new treatment for heart attacks. The drug already is available in West Germany and Belgium and is under review in the U.K. and the Netherlands.

In the executive suite, James G. Andress, former president of Sterling Drug, in June 1988 became chairman of Beecham Pharmaceuticals, based in London. He succeeds James Pollard, a 33-year Beecham veteran.

Beecham Cosmetics was bought for $91.5 million by Beecham executives and Bankers Trust Co. The business includes the Jovan and Vitabath brands and the U.S. licenses to manufacture and sell Yardley of London and Adidas fragrances and a production site in Bensenville, Ill.

Beecham earlier in the year sold to Revlon its lagging Germaine Monteil business, although Beecham will continue to market Jovan brands in the U.K., Germany, the Middle East and other countries. Beecham Cosmetics Inc. will continue to manufacture certain skincare products sold by other Beecham units in the U.S. The buyer was U.S.G. Industries, a unit of U.S.G. Corp. Beecham's other home-improvement line, Roberts Consolidated Industries, was sold earlier in the year to an investor group for $45 million. The disposed units contributed $7.3 million of Beecham's 1987 measured spending, according to BAR/LNA.

The beneficiary of this corporate infusion of cash from the sales is advertising, research and development, according to the company. Through the first quarter of 1988, research and development in pharmaceuticals is up more than 20% over the same period in 1987, while advertising and marketing in both pharmaceuticals and consumer products have grown by 10%.

BEECHAM GROUP PLC
Beecham House
Brentford
Middlesex TW8 9BD

Beecham Inc.
Three Garret Mountain Plaza
West Patterson, N.J. 07424
(201) 881-3000

Beecham Products U.S.A.
Pittsburgh, Pa.

Marketing personnel: Robert M. Lancaster, exec vp; Gordon J. McLaren, vp-mktg; Maurice L. Kelley, Jr., vp-mktg svcs & professional relations

Brands/services by agency of record:

Aqua-Fresh
Aqua Velva
Calgon Bath
Geritol
Massengill
Sucrets
Vivarin

Ad agency: Grey Advertising, New York. Robert Burruss, exec vp; Richard Krain, Mel Sokotch, vps-group mgmt supers.

■

Calgon Water Softener
Cling Free
Fruit-Fresh
Lectric Shave
N'Ice
Sominex
Sominex Pain Relief Formula

Ad Agency: Ogilvy & Mather, New York. Peter Barnet, sr vp-group dir; Mary Gael Senko, vp-acct super.

What is my competition spending in advertising?

Turn to LNA for answers.
See page 151

Norcliff Thayer
Tarrytown, N.Y.

Corporate personnel: Theodore Williams, sr vp

Marketing personnel: Paul Fraioli, group mktg dir, dir-media svcs; Eileen Fischer, group mktg dir, dir-new prods; Wayne Whitney, sr prod mgr-NoSalt, Orafix, A-200; Paul Madzik, prod mgr-Tums Tablets; Karen Ahern, sr prod mgr-Oxy 10, Oxy 5, Oxy Clean; Maria Mirto, prod mgr-Tums Liquid, Esoterica, Liquiprin.

Brands/services by agency of record:

A-200
Esoterica
Liquiprin
NoSalt

Ad agency: Carrafiello Diehl & Associates, Irvington, N.Y.: Robert Brandt, exec vp-acct super; John Muhlfeld, vp-group acct super

■

Orafix
Oxy
Tums

Ad agency: Jordan McGrath, Case & Taylor, N.Y.: Robert Patton, sr vp-mgmt super; Claire Tondreau, acct super, Oxy; James Eiche, vp-acct super, Orafix, Tums; Barry Marek, Peter Goddard, acct execs; Sylvia Rodriquez, sr vp-media dir

Beecham Laboratories Division
Bristol, Tenn.

Corporate personnel: T.G. Wood, president; J.H. Miller, exec vp.

Marketing personnel: Edward Ruana, vp-sales; Robert L. Widerkehr, vp-animal health div; Jon Kacuper, vp-mktg; M.R. Hilton, dir-pr.

Brands/services by agency of record:

Amoxil*
Augmentin*
Injectable antibiotics
Nucofed*
Oral antistaphs
Timentin*

Ad agency: Frank J. Corbett Inc., Chicago: Jim Miller, exec vp; Bill Marotti, vp; Ken Stevens, acct super

■

Veterinary pharmaceuticals

Ad agency: Charles Tombras Advertising, Knoxville, Tenn.: John Welsh, Guy Seymour, acct execs

■

Anexsia-D*
Fastin*
Ticar*
Tigan*

Ad agency: Trunk Shea & McCaffrey, Clifton, N.J.: dePaul R. Trunk, president; Thomas Shea, vp

RANK
63

Bell Atlantic Corp.

Philadelphia
ADVERTISING: **$ 138.6** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	10,298	9,921	3.8
Earnings	1,240	1,167	6.3
■ ***Division sales***	***1987***	***1986***	***% chg***
Local service	4,198	4,164	0.8
Network access	2,722	2,685	1.4
Toll service	1,492	1,422	4.9
Directory adv	1,291	1,096	17.8

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	5,776	6,233	(7.3)
Business pub	2,321	1,510	53.8
Magazine	8,865	7,546	17.5
Newsp supp	213	67	217.5
Outdoor	514	320	60.6
Spot TV	30,266	26,692	13.4
Network cable	382	232	65.0
Spot radio	11,281	6,542	72.4

■ ***Media***	***1987***	***1986***	***% chg***
Measured	59,618	49,141	21.3
Unmeasured	79,000	65,000	21.5
Total	138,618	114,141	21.4

Bell Atlantic has outlined a strategy to build on the strengths of its networks, focus on unregulated businesses and integrate strategies and businesses. Strong management, innovation and a robust economy led to good performance, analysts say.

Bell Atlantic recorded $59.6 million in measured media spending in 1987, a 21% increase from $49.1 million in 1986. AA estimates overall advertising grew to $138.6 million, up 21.4% from 1986.

A strong economy in the mid-Atlantic region has helped as annual growth in business telephone lines was 6.3%, and toll volumes increased by more than 11%.

In June 1988, Bell Atlantic hired a new agency, J. Walter Thompson, New York, and severed ties with Ketchum Communications, Pittsburgh.

JWT's advertising assignments, corporate/informative, product line and international advertising, is expected to generate $50 million in billings over a 12-month period.

A corporate umbrella campaign prepared by Ketchum is running through this summer and positions the company as a provider and manager of high tech products and services. JWT has developed a new corporate campaign.

The biggest single ad expenditure was $12.2 million for general promotion, up 37%, with magazines and spot TV splitting the till. Bell of Pennsylvania telephone advertising grew only slightly to $6.7 million, with the bulk of that going to spot TV.

Advertising expenditures, mostly in spot TV, increased across the board for Yellow Pages advertising for Bell Atlantic's various operating units as revenues from the publishing classified directories increased nearly 10% over 1986.

Bell of Pennsylvania Yellow Pages advertising grew 34% to $4.7 million, and a new campaign broke in July and will run through November that features Martin Mull and the tagline, "The One that Works."

The company in late 1987 dropped its 3-year-old Dragnet themed campaign bearing the tagline "We Wrote the Book," and featuring David Leisure of Joe Isuzu fame.

New Jersey Bell Yellow Pages had $4.9 million in measured ad expenditures, up 58%. Chesapeake & Potomac Yellow Pages grew by 23% to $3.8 million.

Bell Atlantic boosted its directory business by joining with GTE in a venture, Chesapeake Directory Sales Co., to sell Yellow Pages advertising for four C&P telephone companies. C&P Telephone spending grew 37% to $2.6 million.

In March 1988, U.S. District Court Judge Harold Greene opened the way for the regional Bell companies to provide certain information services. On the heels of that decision, Bell Atlantic has begun a message storage service this June in Washington, D.C. which permits callers to access information stored electronically in a central office.

Telephone answering will be tested in northern New Jersey and northern Virginia in the fourth quarter; tests for voice mail will begin in those markets for selected customers; and videotex gateway, which will provide PC users with a single entrance point to multiple information services providers, will begin market tests in Washington, D.C. and Pennsylvania pending FCC approval.

Bell Atlantic has looked toward diversification to expand, including cellular phone business, customer services and financial services—all under the Bell Atlantic Enterprises heading. Enterprises contributed $47 million to Bell Atlantic's earnings last year while revenues totaled $877 million, nearly double the $447 million in 1986.

CompuShop, a computer distributor, was sold in February 1988 after reporting losses.

"That's another piece of evidence of the management skill at Bell. They made a bad move, but they didn't compound it. They cut their loss," said Jack Grubman, PaineWebber analyst.

The company also sold most of A Beeper Company's paging operations outside the mid-Atlantic states, saying the business didn't fit long-term strategy.

Bell Atlantic entered international markets via agreements with Siemens and IBM to market intelligent networks in Europe and with Telefonica in Spain to provide operating support systems for Spain's telecommunications network.

The company also acquired Bell Canada Enterprises' computer maintenance operations in Europe.

"Bell Atlantic, from the beginning, had the best technology (of all the regional Bell operating companies) the fastest, with the most interesting applications," Mr. Grubman said.

BELL ATLANTIC
1600 Market Street
Philadelphia, Pa. 19103
(215) 963-6000

Marketing personnel: Christopher E. Clouser, vp-corp relations & adv; Christine Davies, asst vp-adv; Keith Bodamer, dir-direct mktg; Roy Weitzell, dir-corp adv; Melissa Nichols, dir-small business/consumer adv.

Brands/services by agency of record:

Bell Atlantic Mobile Systems

Tampa Bay's Largest Newspaper

Tampa Bay moves with the Times.

St. Petersburg. Tampa. Clearwater.

Many cities comprise Tampa Bay, Florida's largest and wealthiest market. But only one newspaper unites these communities, moving more products and services — the St. Petersburg Times.

Read by 693,100 adults every day and 775,800 adults on Sunday, the Times delivers Tampa Bay's largest audience.

It's an upscale audience, too. A single advertising insertion in the Times reaches more college educated adults, more chief wage earners and more top income households than the metro area's second newspaper. More importantly, the Times delivers Tampa Bay's largest share of buying prospects in nearly every product category.

If you're looking to move merchandise in America's 20th largest metro area, run with the newspaper that delivers more for your ad dollar — the St. Petersburg Times.

Source: 1987 Scarborough Report.

To move more merchandise in Tampa Bay, call General Advertising at (813) 893-8249 and ask for your copy of our 1989 Tampa Bay Market Profile.

Represented nationally by CWO&O.

St. Petersburg
TIMES
Tampa Bay's Largest Newspaper

Top 25 supplement advertisers

Rank	Advertiser	Newspaper supplement expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	Franklin Mint	$17,497	$9,505	84.1	20.2
2	Sony Corp.	15,502	14,822	4.6	19.5
3	RJR Nabisco	12,518	36,431	(65.6)	1.5
4	Commtron	9,484	1,256	655.1	NA
5	Philip Morris Cos.	9,080	17,307	(47.7)	0.6
6	Bertelsmann AG	8,040	6,273	28.2	14.4
7	Primerica Corp.	7,967	4,726	68.6	21.6
8	General Motors Corp.	7,789	8,268	(5.8)	0.8
9	American Telephone & Telegraph	6,691	3,751	78.4	1.3
10	Hamilton Collection	6,413	3,693	73.7	NA
11	Sears, Roebuck & Co.	6,411	3,247	97.5	0.7
12	Nutrition Headquarters	5,944	5,530	7.5	NA
13	Chrysler Corp.	4,596	6,108	(24.8)	0.8
14	Weekend Shopper	4,101	NA	NA	NA
15	Horn & Hardart Co.	4,025	6,618	(39.2)	NA
16	Estee Lauder Inc.	3,999	3,028	32.1	4.8
17	Loews Corp.	3,861	6,861	(43.7)	3.4
18	Drake Walter & Sons	3,834	3,108	23.4	NA
19	Brown-Forman Co.	3,516	4,664	(24.6)	4.7
20	Prudential Ins. Co. of America	3,464	1,579	119.4	3.1
21	Neutrogena Corp.	3,237	2,492	29.9	10.5
22	Grand Metropolitan PLC	2,703	2,325	16.3	1.2
23	Hallmark Cards	2,618	1,335	96.1	2.8
24	K mart Corp.	2,603	1,103	135.9	0.4
25	Kraft Inc.	2,603	2,083	24.9	0.6

Source: Publishers Information Bureau as reported by BAR/LNA reports. Note: Dollars are in thousands.

Ad agency: W.B. Doner, Baltimore, Md.: James Dale, vice chmn-corp creative dir; Donald Riesett, exec vp-acct mgmt dir; John Havrilla, vp-mgmt super; Nancy Knox, sr acct exec.

■

Sorbus

Ad agency: Ferrare, Clinch & Fleming, Plymouth Meeting, Pa.: Paul Fleming, mng super; Laurie Van Metre, acct super.

■

Bell Atlantic Yellow Pages

Ad agency: Lewis Gilman & Kynett, Philadelphia, Pa.: John K. Kaiser, president & ceo; A. Thomas Tebbens, Jr., vp-mgmt super; Brian Goerke, acct super; Erin Armstrong, Maureen Duffin, Ted Kolota, acct execs; Rhonda Mariano, acct asst.

■

New Jersey Bell Yellow Pages

Ad agency: Poppe Tyson, Morris Plains, N.J.: John Manos, vp-acct mgr; Paul Wry, acct super; Judy Henehan, acct exec.

■

Centrex
Corp adv
Corridor svc
Wire maintenance

Ad agency: J. Walter Thompson, New York: Pete Hanley, sr vp-mgmt dir; Melissa Murphy, sr vp-mgmt dir; Judi Francis, vp-sr acct super; Chris Ellis, acct coord; Michael Martin, acct rep-Philadelphia; Abby Warner, vp-acct super-Washington; Vickie Derfler, vp-acct dir-Washington; Julie Westerman, acct super-Washington; Mary Moran, Melissa Ator, Willie Leedy, acct reps-Washington.

RANK
88

BMW AG

Munich, West Germany
ADVERTISING: **$ 99.5** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	10,502	7,770	35.2
Earnings	202	150	35.2
■ Division sales	**1987**	**1986**	**% chg**
Automobiles	8,102	5,618	44.2
Motorcycles	169	151	12.1
Other	1,259	882	42.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	16,143	10,924	47.8
Business pub	14	134	(89.9)
Magazine	22,311	11,902	87.5
Newsp supp	0	7	(100.0)
Outdoor	0	53	NA
Network TV	27,475	17,656	55.6
Spot TV	5,082	3,588	41.6
Network cable	1,580	709	122.9
Spot radio	2,852	1,767	61.4
Measured	75,456	46,740	61.4
Unmeasured	24,000	15,000	60.0
Total	99,456	61,740	61.1

BMW of North America pumped up its advertising, especially in support of its top-of-the-line 7-series, as it began in 1987 to challenge Mercedes-Benz for dominance of the $50,000-plus top end of the European luxury car segment.

BMW more than doubled its advertising expenditures for the 7-series (735i and 750iL) in 1987 to $14.6 million. And while it revitalized its world-class standing with the 7-series, the automaker gained an increased share of the mid-segment market by launching its M-series sport coupe and four-door sedan models, all designed by its BMW Motorsport division, Munich.

The big-ticket campaign proved successful for the automaker, which originally fashioned its reputation in the U.S. market with small, sporty sedans. BMW has an 11.2% share of the import market and 7% of the luxury performance vehicle market.

BMW positioned its limited edition M-3, M-5 and M-6 series as grand touring luxury machines powered by race-bred performance engines.

For BMW, the move into higher-priced models signaled the company was willing to give up volume in return for higher profits.

Despite a 44% increase in sales of its 7-series, coupled with sales generated by the new limited edition M-models, BMW's total U.S. sales of 87,839 represented a 9.2% drop from its record sales of 96,759 units in 1986.

BMW lost ground on its 3, 5 and 6-series models. Sales of BMW's 3-series dropped 5.2% to 57,757 from the 1986 total of 60,915. Sales of its 535i and 535is models, introduced in 1986, also dropped to 6,547 units, an estimated 11% decrease from the 7,377 total units sold their first year out. BMW has since pulled those models from its lineup in 1988 to undergo major model changes for 1989.

BMW's new 525i and 535i four-door sedans will be positioned similar to its 7-series, offering luxury and performance. The new 5-series will debut in late September 1988.

When BMW reintroduced the 635csi in 1986, some 2,979 units were sold. In 1987, the manufacturer's redesigned coupe failed to attract as many buyers, falling 35% to 1,944.

Industry observers noted that the overall decline in BMW sales paralleled what was happening in the rest of the European import category. With the value of the American dollar weakened against the West German mark and other currencies, prices of European vehicles soared. Stock market turbulence in October 1987 also had a negative effect on high-ticket items.

BMW was forced to increase prices on most of its cars during 1987, with the exception of its M-6 and 635csi models.

In the first half of 1988, BMW sales in the U.S. continued to follow the segment's trend of decline. BMW sold 34,786 cars in the first six months, a 19.1% decrease from the same period in 1987.

BMW of North America remains the largest of BMW AG's 14 subsidiaries, holding approximately 7% of the luxury performance market and 11.2% of the import market in the U.S.

BMW increased its network TV ad spending in 1987 to $27.4 million, up 55.6% from the $17.6 million spent in 1986, according to BAR/LNA.

Spot TV ad spending also rose from $3.6 million in 1986 to $5 million and the automaker spent $16.1 million on national newspaper advertising in 1987, up 47.8% from $10.9 million spent the previous year.

Unmeasured advertising totals include BMW's sponsorships and dealer promotions which are held regionally. BMW has limited involvement in national promotions. BMW sponsorships include the Mid-Atlantic Steeple Chase Series and additional equestrian events, as well as actively participating in Virginia Slims Tennis events and selected golf tournaments throughout the country.

BMW dropped its L6 and L7 luxury vehicles from its roster in 1987 to make way for new model changes and the introduction of the flagship 750iL.

BMW also introduced the 325ix, a reformulated 4-wheel drive version of its best-selling 325 model in November, priced at $33,290. In May 1988, BMW introduced the 735iL ultra-luxury version of the 735 model. The upscale version is equipped with BMW's acclaimed 6-cylinder engine and a longer wheel base like the flagship model.

BMW broke new advertising in April 1988, positioning its new 7-series at the pinnacle of the luxury market. "The Leadership Campaign" contains only the tagline, "The BMW 7-series. It brings new blood to a class of automobile that can certainly benefit from it." The campaign marked a departure from previous product-oriented advertising, by showing the cars in upscale settings such as horse auctions and a party at Embassy Row in Georgetown.

BMW eventually will extend the campaign to all of its models as well as continue to use the long-running "Ultimate driving machine" theme in its advertising.

In late October, BMW AG plans to relocate its North American headquarters from Montvale to Woodcliff Lake, N.J.

BAYERISCHE MOTOREN WERKE AG
Petuelring 130
8000 Munich 40
West Germany

BMW of North America
Montvale, N.J. 07645
(201) 573-2000

Marketing personnel: Hans Riedel, vp-mktg group; Carl Flesher, genl mgr-mktg comm; Mike DeMarco, mgr-mktg strategies; Jim Hamilton, mgr-prod strategy; Steve Wallmark, mgr-dealer mktg; Steve Woolford, natl comm mgr.

Brands/services by agency of record:

BMW automobiles
BMW motorcycles

Ad agency: Ammirati & Puris, New York: Ralph Ammirati, chmn-creative dir; Martin Puris, co-chmn & ceo; Duncan Pollock, sr vp-group dir.

RANK
98

Borden Inc.

New York
ADVERTISING: **$ 84.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	6,514	5,002	30.2
Earnings	267	223	19.7
■ U.S.	**1987**	**1986**	**% chg**
Sales	5,355	4,044	32.4
Operating income	493	387	27.4
■ Division sales	**1987**	**1986**	**% chg**
Chemical	1,638	1,443	13.5
Dairy	2,210	1,331	66.0
Niche grocery	1,516	1,192	27.2
Snacks	1,150	1,036	11.0

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	3,489	2,352	48.4
Business pub	1,387	920	50.8
Magazine	3,738	5,419	(31.0)
Newsp supp	81	238	(65.9)
Outdoor	65	77	(15.6)
Network TV	238	3,232	(92.6)
Spot TV	14,729	12,910	14.1
Network cable	120	202	(40.2)
Spot radio	4,896	2,115	131.5
Measured	28,743	27,464	4.7
Unmeasured	56,000	53,000	5.7
Total	84,743	80,464	5.3

The acquisition drive that Borden Inc. began in early 1986 continued full throttle in 1987 as the company absorbed 23 new companies at a cost of just under half a billion dollars.

Heading the list of new entries—mostly to the Borden food basket—was Prince Co., the leading pasta company in New England valued at an estimated $170 million. It not only vaulted Borden from a small presence in the New England pasta market, but boosted Borden's U.S. pasta share to an estimated 31%, far ahead of second place Hershey with an estimated 17% share.

The Prince acquisition reflected the strategies directed by Borden's Chairman-CEO R. J. Ventres: buying small companies that are either first or second in their markets, and creating a national network out of regional companies.

Also acquired during the year were Laura Scudder's Inc. snack company in Anaheim, Calif., Bordon's first entry into the California market, that also serves Nevada and Arizona; and The Snacktime Co., Indianapolis.

Adding Scudder's solidified Borden's No. 2 ranking among snack-food marketers with an estimated 15% share of the $6 billion market. Frito-Lay, a PepsiCo subsidiary, remains well ahead at a 51% share.

The corporation also gained more canned seafood lines than any other seafood supplier in 1987 with the acquisition of the Orleans line of canned shrimp, oysters, clams and crabmeat from Pet Inc.'s Southland Canning; the Cutcher and Harris lines of mainly crabmeat, but also oysters, clams and shrimps, from Blue Channel Inc. and the canned shrimp line of DeJean's, Biloxi, Miss.

Borden, with its Borden and Meadow Gold brands, is the world's largest dairy products producer; the leading or No. 2 producer of grocery specialties in 23 grocery categories; the leading producer of polyvinylchloride film wraps, forest product glues, household glues (Elmers) and consumer spray paints (Krylon).

Borden also is the top producer of sweet snacks in West Germany and has been expanding its international base in snacks, pasta, wallcoverings and chemical specialties.

Borden's sales and earnings were influenced by the heavy acquisition activity. Its net income rose 20% on a 30% increase in sales in 1987 over the prior year figures which do not reflect the acquisitions. Borden expects the heavy acquisitions of the past two years, which cost it $1.3 billion, to contribute more than $2 billion in sales once a full-year's worth of their returns are added to Borden's books.

The company's expanded presence is beginning to change Borden from a regional to a national advertiser. In 1987, virtually all its advertising was in magazines and spot TV, still reflecting its regional character.

A national ad campaign has just been launched for Creamette that reaches 43 states, said Nick Iammartino, Borden's director of financial communications. The company also has national products in its Cottage Fries, Cheez Doodles and Wise brand pre-popped popcorn, each developed by different regional companies.

At least two other products are being prepared for national launch—Krunchers, a thick, kettle-cooked potato chip, gained through the Laura Scudder's acquisition; and Classico pasta sauce, a premium bottled sauce that Mr. Iammartino calls "the hidden jewel of the Prince acquisition." Grey Advertising is planning a national ad campaign for Classico to run this fall.

Borden's regional marketing presence has helped the company try new products in various areas with little extra expense and without fear of severe losses resulting from a miscalculation.

It also has allowed the company to expand from the bottom up. "Grass-roots recommendations from divisions" let the company closely track the "pulse of the market and realities of business fit, rather than following top-down decisions by corporate management," said Mary Lynn Harden, analyst with Duff & Phelps.

Apart from consumer food products, Borden's fastest growing segment is wallcoverings which has margins in the high teens as opposed to the low-margin grocery products. Borden is the world's largest producer of wallcoverings.

BORDEN INC.
277 Park Ave.
New York, N.Y. 10172
(212) 573-4000

Chemical Division

Marketing personnel: A.S. D'Amato, exec vp, president; Joseph M. Saggese, sr group vp-adhesives & chemical, industrial resins, Acme Resins/Canada, graphics; John S. Bellecci, group vp-basic chemical & PVC operations.

Brands/services by agency of record:

Wall-Tex
Satinesque
Guard
Sun-Tex
Borden Home wallcoverings

Ad agency: Lord, Sullivan & Yoder Advertising, Columbus, Ohio: Nancy Barr, acct super; Jane Fallin, acct exec.

Grocery & Specialty Products Division

Marketing personnel: Jon G. Hettinger, exec vp, president; Lee N. Arst, group vp-confection & main meal; Jerry C. Dlowdus, group vp-specialty prods; John F. Dix, group vp-desserts & beverages; L. John Westerberg, group vp-pasta; Dale Schulz, vp-sales & mktg, pasta; Marti Yeager, adv mgr-pasta.

Dairy Division

Marketing personnel: Richard W. Fowlkes, exec vp, president; Bill Baar, vp-sales & mktg, Borden Dairy; Jay T. Johnson, sr group vp-Borden Western/Meadow Gold; Kenneth W. Beaman, group vp-Borden Southeast; Robert E. Dawson, group vp-Borden Southwest; Robert M. Maloney, group vp-Borden Northern.

Snack Consumer Products Division

Marketing personnel: George J. Waydo, exec vp, president; Peter M. Duggan, group vp-snacks; Chris Abernathy, vp-mktg, snacks.

Brands/services by agency of record:

Snacktime Co.

Ad agency: W.B. Doner & Co., Southfield, Mich.: Rick Friday, sr vp; Liz Conlin, acct super; Sharon Peters, asst acct exec.

■

Jays foods

Ad agency: Grant Jacoby, Chicago: John Willie, sr vp-brand group mgr; Barry Hedden, acct super; Midge Mountain, acct exec; Andrea Murphy, creative dir.

■

Cracker Jack
Eagle brand sweetened condensed milk
Borden processed cheese prods
ReaLemon
Creamette pasta
Elmer's prods
Krylon paint

Ad agency: Grey Advertising, New York: Stewart Hegleman, exec vp.

■

Clover Club prods

Ad agency: Harris & Love, Salt Lake City: Kerry Lehtinen, sr vp-acct super; Charlie Seldin, acct exec.

■

Borden snacks
Wise snacks

Ad agency: Jordan, McGrath, Case & Taylor, New York: Don Weir, sr vp-mgmt rep; Linda Schaler, vp-mgmt super; Shelley Sharkey, acct super; Paul Sorensen, acct exec.

■

Creamettes (regional)
Ronco
Luxury
Globe
Anthony's pasta prods

Ad agency: M&H Advertising, Minneapolis: Steve Martin, president.

■

Kava coffee
Bama
Fisher processed cheese prods

Ad agency: Sive & Associates, Cincinnati: Dave Siegel, Phil Mandel, acct supers: Tom Sagers, Linda Jackson, acct execs

■

Classico

Prince & Aunt Millie pasta sauses

Ad agency: Solin Associates, New York: Darrol Solin, president; Mary Ann Lambert, acct exec

■

Borden dairy prods

Meadow Gold dairy prods

Ad agency: Tracy-Locke, Dallas: Alan Burks, sr vp; Brian Maysent, acct super (Borden); Bart Johnson, acct super (Meadow Gold)

■

Coco Lopez Cream of Coconut

Ad agency: Venet Advertising, New York: Chuck Levy, vp mgmt super

RANK

26

Bristol-Myers Co.

New York

ADVERTISING **$ 358.9** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	5,401	4,836	11.7
Earnings	710	590	20.4
■ **U.S.**	**1987**	**1986**	**% chg**
Sales	3,950	3,595	9.9
Operating income	898	778	15.3
■ **Division sales**	**1987**	**1986**	**% chg**
Pharmaceuticals	2,217	1,961	13.1
Health care prods	1,504	1,377	9.2
Toiletries	1,188	1,057	12.4
Household prods	491	439	11.8

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	553	1,880	(70.6)
Business pub	2,375	1,146	107.2
Magazine	37,964	30,218	25.6
Newsp supp	41	630	(93.5)
Farm pub	485	536	(9.6)
Outdoor	87	0	NA
Network TV	134,419	128,521	4.6
Spot TV	8,239	8,056	2.3
Network radio	4,615	5,041	(8.4)
Spot radio	1,157	460	151.6
Measured	189,934	176,488	7.6
Unmeasured	169,000	157,000	7.6
Total	358,934	333,488	7.6

Bristol-Myers Co. became enmeshed in one of 1988's biggest health stories when a study using Bufferin aspirin showed that a daily aspirin dramatically reduces the risk of a first heart attack.

But although Bufferin was the aspirin used in the study, whose findings were published in the "New England Journal of Medicine," Bufferin competitors such as Sterling Drug Co.'s Bayer aspirin tried to capitalize on the findings much to the chagrin of federal authorities. The FDA ordered advertising about first heart attack halted until the study could be evaluated further by federal authorities. FDA approved the advertising of aspirin reducing second heart attacks in 1985.

B-M this year also witnessed new, heavy-hitting competition in the infant formula market as Nestle SA's Carnation Co. jumped into the $1.6 billion market now dominated by B-M and Abbott Laboratories. Carnation announced introduction of Good Start and Good Nature, two whey-based products, in July 1988.

And, looking to the future, B-M made a pact with Smith Kline & French Laboratories to develop and market an over-the-counter version of the ulcer drug, Tagamet. The drug won't carry anti-ulcer claims and will compete in the antacid category under brand names different from the prescription drugs.

In 1987, B-M's centennial anniversary year, each of its core businesses grew as total net earnings rose 20% on a 12% improvement in sales. Overall ad spending increased to $358.9 million, up 7.6% from year-earlier levels for both media advertising and promotional spending. Media advertising accounts for 53% of the total.

B-M's media spending held few surprises: The bulk of its ad budget continues to go to network and spot TV. Taking a hit were national newspaper advertising, down 71%, and supplements, down 93%, although both ad forms traditionally account for minor portions of B-M's media buy. Consumer magazines seemed the direct beneficiary of newspaper cuts: In 1987, magazine ad spending jumped 26%.

As expected, B-M put its heaviest spending behind key brands. Clairol brands got a 37% boost in media spending to an estimated $41 million. The spending hike coincides with a suddenly growing hair coloring market due largely to a graying population that wants only the hairdresser to know for sure. This trend helped expanded total Clairol sales 12% to $785 million. Clairol also experienced a 25% growth in beauty appliances.

Clairol's sales kept pace with the estimated $460 million hair coloring market (manufacturers dollars), which saw sales growth of 10% to 11% in 1987. Clairol has an estimated 60% market share, and competes directly with Cosmair's L'Oreal, which has a 26% total share, down from 26.6% in 1986. In food stores, Clairol's Nice 'n Easy and Miss Clairol brands garnered a 68.2% brand share in 1987.

B-M's OTC drug sales increased just 2% from 1986 to 1987, due largely to flat revenues of analgesics, according to DLJ Securities. However, the OTC outlook—particularly for Bufferin—could change dramatically if and when the FDA allows B-M to advertise the claim showing aspirin prevents a first heart attack. B-M is working with the FDA to promote that claim.

In the meantime, B-M has dramatically increased spending in 1988 for ads promoting Bufferin in the prevention of second heart attack. The ads promote a reformulated "Tri-Buffered Bufferin" which is easier on the stomach. It is aimed at "the millions who take aspirin more than once a week."

The company is believed to be spending $15 million, up from $9.6 million in 1987, on a campaign featuring heart attack victims Arthur Ashe and Geoff Kimball. Mr. Ashe was 1975 Wimbledon Tennis Champ; Mr. Kimball suffered a heart attack at the age of 27, and has since become a marathon runner and triathlete. B-M also is sponsoring educational TV spots with the American Heart Association about heart disease, which are then followed by a Bufferin ad.

Bristol-Myers' analgesic brands total "just over 15%" of the stagnant $1.7 billion (manufacturers dollars) analgesic market, and the company doesn't lead in any of the three main subsegments of the category.

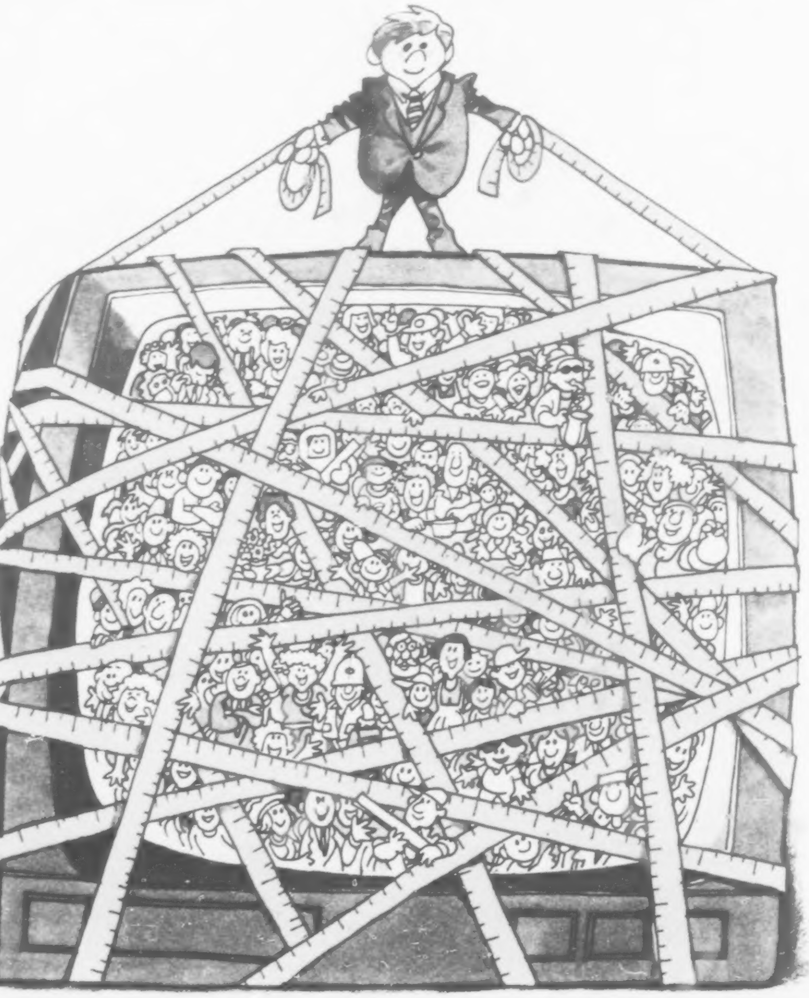
Bristol-Myers has third place in the total analgesic market with 13% in overall shares. Johnson & Johnson holds the No. 1 spot with 33%, while American Home Products has second with 18% and Eastman Kodak's Sterling Drug holds an 11% share, according to Joseph Riccardo of Bear Stearns Cos., New York.

In the aspirin subsegment, which represents $749 million in manufacturers sales, Bristol-Myers is in a tight race. Sterling Drug's Bayer led the pack with $114 million sales, up from $95 million in 1986. It was followed by American Home Products' Anacin at $107 million, up from $98 million. Bristol-Myers' Excedrin had $87 million sales, up from $82 million while its Bufferin brand registered $71 million sales, down from $73 million in 1986. In terms of aspirin brand share of the total analgesic market, Bristol-Myers ranks third with 5.5% for Excedrin and with less than a 5% share for Bufferin, behind Bayer's 6% and Anacin's 6.5% market shares. B-M's Excedrin is not expected to benefit as much from the heart study as its competitor brands because it contains the stimulant caffeine.

In the acetaminophen category, with $644 million sales, up from $638 million in 1986, Johnson & Johnson's Tylenol dominates the market with $500 million in sales during 1987. But acetaminophens are losing overall market share to ibuprofens.

With $310 million sales, up from $217 million in 1986, the ibuprophen subsegment growth was spearheaded by Bristol-Myer's Nuprin which boasted a 23.9% increase in sales to $74 million, according to Kline & Co., a pharmaceutical consultancy based in Fairfield, N.J. However Bristol-Myers was overshadowed by American Home Product's Advil wit $163 million in sales, up from $146 mi lion in 1986.

Johnson & Johnson's Medipren trail with $40 million sales, up from $10 m lion in 1986, its first year on the mark In terms of ibuprofen brand share of total analgesic market, Bristol-Myers' N prin is ranked No. 2 with a 25% sh American Home's Advil has a 50% m ket share, while Johnson & Johnson ha a 13% share in the market. Althou h



EQUITRAC™ Now Measures The Unmeasurable–Advertising Campaign Equity

You have always known that an advertising campaign can have a special value all of its own. Something that can grow over time. Something that can magnify the effectiveness of the individual commercials within the campaign.

This "something" is campaign equity. And now it can be measured.

Using a campaign collage board to represent the key campaign "threads", EQUITRAC measures Advertising Campaign Equity through its key components:

1. Recognition of the basic campaign format.
2. Association of this format with the right sponsor.
3. Positive attitudes toward the campaign.

With this measurement and the diagnostic insights it provides, EQUITRAC serves as an unparalleled campaign assessment tool to reassure you that your campaign is right on track, needs modification, or needs to be changed.

EQUITRAC. It can tell you how much your campaign is really worth. Write or phone for a complete brochure.

EQUITRAC

Directly Measuring Advertising Campaign Equity

from Westgate

Westgate Research • 650 Office Parkway • St. Louis, Missouri 63141 • 567-3333

Top 25 outdoor advertisers

Rank	Advertiser	Outdoor expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**RJR Nabisco**	$63,065	$78,458	(19.6)	7.5
2	**Philip Morris Cos.**	50,207	61,283	(18.1)	3.2
3	**Loews Corp.**	24,385	25,000	(2.5)	21.2
4	**American Brands**	19,834	14,183	39.8	13.1
5	**B.A.T. Industries PLC**	15,379	20,146	(23.7)	14.6
6	Seagram Co.	13,789	10,175	35.5	11.3
7	Anheuser-Busch Cos.	9,580	7,130	34.4	1.5
8	McDonald's Corp.	6,607	5,544	19.2	1.0
9	Grand Metropolitan PLC	5,696	7,758	(26.6)	2.5
10	Holiday Corp.	5,000	4,555	9.8	8.4
11	**Brown-Forman Co.**	4,692	4,938	(5.0)	6.3
12	**PepsiCo Inc.**	4,518	3,213	40.6	0.6
13	**Allied-Lyons PLC**	3,767	5,030	(25.1)	9.4
14	**Guinness PLC**	3,725	4,755	(21.7)	9.7
15	**Liggett Group**	3,394	711	377.4	NA
16	Adolph Coors Co.	3,041	1,161	162.0	2.1
17	Kroger Co.	2,892	2,357	22.7	2.5
18	Bacardi Corp.	2,464	1,280	92.4	10.3
19	Southland Corp.	2,414	2,986	(19.2)	2.8
20	Chrysler Corp.	2,383	1,881	26.7	0.4
21	**U.S. West**	2,295	427	437.2	3.5
22	**Coca-Cola Co.**	2,083	3,166	(34.2)	0.6
23	**Wendy's International**	2,026	1,294	56.6	1.9
24	**General Motors Corp.**	1,998	2,731	(26.8)	0.2
25	**Argyll Group PLC**	1,988	59	3,275.9	NA

Source: Outdoor Advertising Association of America and Institute of Outdoor Advertising as reported by BAR/LNA reports. **Note:** Dollars are in thousands.

B-M continues to wage a heavy ad battle for Nuprin, its media spending declined 11% last year to $32 million. Advil got $49 million in media ad spending in 1987, up 5%.

In household products, B-M's Drackett sales increased 12% in 1987 to $515 million after a particularly difficult 1986. Drackett's Windex glass cleaners received $4.3 million in measured advertising, up 30%. Windex is getting heavy competition from Miles' (Bayer USA) Glass Works. After suffering share erosion in 1986, Windex built its share to 46.9% for the year ending June 1988, compared to 44.6% for the year earlier. Texize's Glass Plus share dropped from 24% to 21.1% in the same period. Glass Works continued with a flat 15%.

And advertising was up 182% for Drackett's Renuzit to $6.3 million, which continues to battle Airwick Industries products in the $295 million (wholesale) air freshener category. According to a July 1988 Kidder Peabody data, Airwick has a 25% share, up from 23.3% in 1987, followed by Renuzit at 15% total (6% for Renuzit Spray, down from 6.5% in 1987) and Glade holds an estimated 14%, down 4 share points from 1986.

In infant formula, Nestle may force B-M to change the way it markets its Enfamil and ProSobee infant formula. Nestle's Carnation Co. is expected to spend anywhere from $50 million to $100 million to take on B-M and Abbott in the $1.6 billion market, and intends to go directly to consumers via mass media advertising. B-M and Abbott market mainly to physicians.

In infant formula, Abbott has an estimated share of 54% with its Similac and Isomil brands. B-M's Mead Johnson Pharmaceutical has a 38% share, followed by American Home Products 10% share with SMA, according to Salomon Bros.

BRISTOL-MYERS CO.
345 Park Ave.
New York, N.Y. 10154
(212) 546-4000

Marketing personnel: Marvin H. Koslow, sr vp-mktg svcs; Thomas D. McCann, vp-corp comm; Peter J. Spengler, vp-adv svcs.

Consumer Products Group

Corporate personnel: Ronald A. Ahrens, president; Stephen E. Bear, president-Bristol-Myers Products; Douglas G. Cowan, president-Drackett; Benjamin Brooks Jr., president-Clairol; Gerald C. Beddall, president-Clairol consumer prod div; Michael A. DeGennaro, president-Clairol professional prods div; Sidney Gibson, president-Clairol health & beauty appliances div; M. Arthur Wilson, president-Monarch Crown.

Marketing personnel: Peter R. Dolan, vp-mktg, Bristol-Myers Products; John C. Hassan, vp-mktg, Drackett; Michael Powell, vp-mktg, established brands, Clairol consumer prods div; Nancy Flinn, vp-mktg, professional prods div; Jeanne Hansen, Wayne Barnett, dirs-mktg, Clairol health & beauty appliances div; George Evans, vp-mktg svcs-Monarch Crown.

Brands/services by agency of record:

Excedrin
Final Net
Loving Care
Nice 'N Easy
Sea Breeze line
Highlighters

Ad agency: DDB Needham Worldwide, New York: Rein Luik, exec vp; Lucille Cotugno, sr vp-mgmt super; James Barickman, vp-acct super; Milton Harkrader, group sr vp (Clairol); Marianne Moore, vp-acct super (Clairol).

■

4-Way
Nuprin
Drano line
Windex
Clairesse
Miss Clairol
Ultress

Ad agency: Grey Advertising, New York: Clark Montgomery, exec vp; Herbert Leiberman, sr vp; Harvey Robinson, mgmt super (Drano, Windex).

■

Ban Roll-on
Bufferin
Comtrex
Congesprin
Automatic Vanish line
Behold
Bowl Brite
Endust
Nutrament
Renuzit Roommate
Renuzit Adjustable
Fresh 'n Dry
Condition

Ad agency: Laurence, Charles, Free & Lawson, New York: Susan Holson, mgmt acct super; Robin Coval, mgmt acct super (Comtrex); Richard Goldschmidt, acct super (Drackett); Linda Tilton, mgmt super (Condition).

■

Twinkle
O'Cedar

Ad agency: Fahlgren & Swink, Cincinnati: Tim Seifert, president; Vincent Backley, vp-mgmt super.

■

Clairol appliances
Klorane

Ad agency: Calet, Hirsch & Spector, New York: Terri Gibralter, mgmt super.

■

Pazazz
Color Play

Ad agency: Gleckler & Co., New York: Gayle Gleckler, chmn-creative dir; Joel R. Spiegel, president; Micheal Levine, dir-acct svcs; Susan Roehlis, acct super; John Ansado, creative dir; Laura Zinn, copywriter; Heidi Amsterdam, art dir.

■

Monarch Crown

Ad agency: (In-house): George Evans, vp-mktg svcs.

■

Clairol PPD (salon)

Ad agency: Wiseltier & Partners, New York: Catherine Gorayeb, acct super.

Health Care Group

Corporate personnel: Charles A. Heimbold Jr., president; Ronald L. Davis, president-Zimmer; Robert J. Helbling, president-Medical Engineering Corp.; Joseph W. Cilurzo, president-Jobst; W. Patrick Cusick, president-Xomed.

Marketing personnel: Richard Stofla, vp-mktg, Medical Engineering Corp.; Stephen A. Dezember, vp-mktg & sales, Jobst; John Madding, vp-mktg, Xomed.

Brands/services by agency of record:

Jobst

Ad agency: Gerbig, Snell/Weisheimer & Associates, Worthington, Ohio: Robert L. Gerbig, president.

■

Zimmer

Ad agency: Naimark & Barba, Cedar Knoll, N.J.: George Naimark PhD, president.

■

Xomed

Ad agency: Ebey, Utley & Co., Mountain View, Calif.: Robert W. Ebey, ceo; Charles E. Utley, president.

U.S. Pharmaceuticals & Nutritional Group

Corporate personnel: Raymond C. Egan, president.

U.S. Pharmaceuticals Group

Corporate personnel: Bruce R. Ross, president; Al Herbert, vp-genl mgr, Bristol-Myers Oncology; Gary P. Gibson, vp-genl mgr, Bristol Laboratories; Frederick M. Brubaker, vp-genl mgr, Mead Johnson Pharmaceuticals.

U.S. Nutritional Group

Corporate personnel: Donald G. Harris, president; John Nordberg, vp-mktg; John M. Bullock, vp-genl mgr, Mead Johnson Nutritionals; Jerry McCabe, vp-genl mgr, Mead Johnson Laboratories; Jaffery B. Marsh, vp-genl mgr, Bristol-Myers Institutional Products.

Westwood Pharmaceuticals

Corporate personnel: Wilfred J. Larson, president.

Marketing personnel: Barry L. Burnside, vp-mktg & sales.

Brands/services by agency of record:

Alpha Keri
Keri lotion (medical adv)
Pre Sun
Staticin/T-Stat
Westcort
Sebulex/Sebucan
Desquam
Lac-Hydrin
Maxivate
Moisturel
Corp adv

Ad agency: Frank J. Corbett Inc., Chicago: John P. Burns, sr vp-acct exec.

■

Poly-Vi-Sol

Ad agency: Keller-Crescent Co., Evansville, Ind.: Al Samuelson, exec vp, dir-client svcs.

■

Keri lotion
Presun
Fostex
Lac-Hydrin

Ad agency: Laurence, Charles, Free & Lawson, New York: Linda Tilton, mgmt super.

■

Pharmaceutical adv:
Bufferin, Excedrin, Nuprin

Ad agency: Gross Townsend Frank Hoffman, New York: Alan Gross, president.

■

Tempra

Ad agency: Goble & Associates, Chicago: Jacqueline Fitzgerald, James Robinson, vps-client svcs.

RANK
41

Campbell Soup Co.

Camden, N.J.
ADVERTISING: **$ 230.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	4,490	4,287	4.7
Earnings	247	223	10.8
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	3,645	3,576	1.9
Operating income	393	395	(0.5)
■ *Division sales*	*1987*	*1986*	*% chg*
Campbell U.S.	2,657	2,660	(0.1)
Pepperidge Farm	496	455	9.0
Vlasic Foods	283	263	7.6
Mrs. Paul's	149	137	8.8
Other U.S.	59	61	(3.0)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	2,579	2,236	15.3
Business pub	1,330	1,438	(7.5)
Magazine	22,766	19,173	18.7
Newsp supp	365	1,439	(74.6)
Outdoor	687	283	143.0
Network TV	60,687	58,561	3.6
Spot TV	30,481	32,070	(5.0)
Network cable	2,666	3,637	(26.7)
Network radio	14,763	5,399	173.4
Spot radio	3,383	2,375	42.5
Measured	139,708	126,610	10.3
Unmeasured	91,000	82,000	11.0
Total	230,708	208,610	10.6

Campbell Soup Co. has been attempting since mid-1987 to build up its flagship division, Campbell U.S. (soups, frozen foods and grocery products), which posted a 1% decline in sales and a 4% drop in operating earnings for fiscal 1987 ended July 31—its first such decline in years.

The company, citing market share losses in its soup and spaghetti sauce lines and disappointing new product introductions as the reasons behind the division's earnings decline, has revamped its internal marketing to emphasize convenience foods and out-of-home dining trends, and has slowed down its new product launches.

During this period, Campbell U.S. agencies were put on notice that it would be taking a hard look at all agency work, and possibly make changes—such as the "exportation" of its V-8 juice account to Saatchi & Saatchi, London. Campbell also expects to hike its spending by 15% to 20% to counter declining market shares for some brands.

But the going has been slow. Through the third quarter 1988 ended April 30, 1988, Campbell showed earnings of $201.9 million, up 13.9%, on sales of $3.7 billion, up 6.6% over the first three quarters 1987. However, in the Campbell U.S. division operating income of $202 million was down 3% on sales of $2.05 billion, up 3.3%.

Chief among Campbell's problems in 1987 were failed new product introductions. Its premium-priced Fresh Chef line of refrigerated pasta sauces, soups and salads foundered in regional testing before a full national rollout, falling far short of its $100 million sales goal. Other test products, including Soup du Jour line of frozen microwaveable soups, were pulled from test market.

As if this was not enough trouble, some successful new product introductions actually took market share away from existing Campbell products. Home Cookin', Campbell's highly successful line of ready-to-serve soups, drew business away from its Chunky Soup, according to Campbell. Home Cookin' was supported during calendar 1987 with $5.5 million in measured media, down 18% from introductory levels in 1986, according to BAR/LNA. At the same time, Chunky spending rose 63.8% to $8.4 million in a possible effort to curtail cannibalization.

Measured spending on other soup lines also rose, with Campbell's red-and-white brand soups at $26.5 million, up 36%. New categories included Creamy Natural Soups, at $4.8 million, and Special Request canned soup at $5.4 million in support of the line's national rollout.

Campbell continues to do battle with Lipton in the growing dry soup category. While condensed soup market has been stagnant, growing at a rate of about 2% per year, dry soups have been on the upswing. They now account for 27.5% of the total category, more than double their 13.3% share of 10 years ago.

Unilever's Thomas J. Lipton Inc. has been the undisputed leader in the dry soup mix category over the last few years, but recent activity has been from Oriental-noodle soup lines. These now account for as much as 66% of the dry soup category, according to Nissin, the marketer of Top Ramen, Oodles of Noodles and Cup o' Noodles. Campbell's Quality Soup & Recipe Mix products with some 3% of the dry soup market tried to build on the trend in late 1987 with the introduction of Campbell's Cup, a dry soup Oriental noodle product, with a $6.2 million spending blitz.

Campbell's competitors have taken advantage of the company's existing lines in the freezer case. Stouffer's Lean Cuisine and Heinz' Weight Watchers together control about 70% of the market for low-calorie frozen entrees, with Lean Cuisine at about 40%, according to 1987 Find/SVP DATA. In terms of premium entrees, Lean Cuisine held a 26% market share followed by Stouffer red box entrees at 18%, Armour Dinner Classics and D.C. Lite with a combined 17% share, Campbell's Le Menu at 13%, Kraft's Budget Gourmet at 12% and Weight Watchers with 10% in 1987.

Campbell's still leads all marketers in the prepared frozen-foods market worth an estimated $8 billion (including everything from entrees to desserts) with a 15% share, followed by ConAgra 13.8%, Pillsbury 11%, Stouffer Foods (Nestle) 9.4% and Kraft 7.5%, according to Find/SVP.

Spending on Le Menu climbed 150% to $2.7 million, while spending on Swanson Le Menu frozen dinners dropped 30% to $4.8 million.

Swanson Homestyle Recipe frozen entrees were introduced with $4.5 million in measured spending. Spending on Swanson Great Starts Breakfast entrees dropped to just under $1 million from introductory levels of $3.2 million.

Competition also has stirred up trouble for Campbell in the Italian foods arena. Its Prego sauce remains No. 2 behind Unilever's Ragu, though Prego has lost ground from 30% in 1985 to the low 20s while Ragu holds at 50%. Other competition in the market is coming from Borden, following its acquisition of Prince Co., with its Prince, Aunt Millie's and Classico sauce brands.

Spending for Prego sauce declined 20% in 1987 to $6.08 million. A line extension product, Prego frozen entrees, was helped with $2.3 million, up 29%.

The company reports strong sales of its Franco American canned meals, which were supported with $2.4 million in measured spending, up from just over $1 million in 1986.

A star performer for Campbell has been its Pepperidge Farm division, driven by its strongest cookie year ever. Its American Collection cookies were strongly received in test markets during the year, prompting Pepperidge Farm to add a companion line of frozen microwaveable American Collection Desserts.

Pepperidge Farm owns only 5% of the total cookie market, far behind Nabisco, with more than 50%, and Keebler, which has about a 17% share. Yet, it is the leader in the premium cookie segment, followed by General Foods Corp.'s Entemann's subsidiary.

Total advertising for Pepperidge Farm division rose 4% to $18.6 million. It was led by cookie advertising at $7.6 million, down 13%. Ad spending for Pepperidge Farm Frozen Pizza, climbed 146% to $7.3 million.

During 1987, Campbells made several acquisitions for its Vlasic subsidiary, which leads the $600 million pickle market with 35% share. Vlasic spent $4 million in measured media in 1987, down 29%.

Vlasic became leader in the $295 million per year olive market with the acquisitions of Early California from United Biscuit's Specialty Brands division, and Durkee brand from Reckitt & Colman North American Group. Durkee has approximately 20% of the green olive market, while Early California holds an estimated 27% share as the leader in the black, ripe olive segment.

As part of the Specialty Brands deal, Vlasic also acquired Marie's Refrigerated Salad Dressings. In a separate deal, Campbell bought Open Pit barbecue sauce from General Foods Corp.

During 1987, Campbell disposed of Champion Valley Farms (Recipe brand pet foods) to H.J. Heinz Co., as well as the remaining restaurant operations of H.T. McDoogal's, Annabelle's and Pietro's.

CAMPBELLS SOUP CO.
Campbells Place
Camden, N.J. 08103-1799
(609) 342-4800

Corporate personnel: R.G. McGovern, president; H.M. Baum, president, Campbell USA;

C.V. Stinnett, president-Campbell Enterprises, vp- corp mktg & sales.
Marketing personnel: P.N. Mulcahy, vp-adv, president-CSC Advertising; A.J. Dale, president-Campbell Sales Co.; Zoe Coulson, vp-consumer issues; A.J. Adams, dir-mktg rsch; D.F. Macaulay, dir-design; G.D. Mahrlig, dir-media svcs; H.P. Pelouze, dir-promo; W.C. Culp, dir-special projects; M.P. Garrison, mgr-special projects.

Soup Group

Corporate personnel: D.L. Santangelo, vp-group genl mgr, soups.
Marketing personnel: Paul Masarracchio, genl mgr-category devel; D.E. Goerke, category genl mgr-condensed soups; Kathleen MacDonnell, category genl mgr-ready-to-serve soups; W.H. Allen, dir-Home Cookin' & Prego; Betty Cronin, dir-mktg, cooking soup; J.N. Haring, dir-mktg, Chunky; D.E. Bair, sr mktg mgr-cooking soup; R.L. Steenrod, sr mktg mgr-condensed soups; Roberta Kitchenoff, mktg mgr-ondensed; T.L. Cruikshank, mktg mgr-Home Cookin'; Griff Parker, mktg mgr-new prods; Laura Klein, mktg mgr-ready-to-serve soups; Gregory Kane, asst mktg mgr-Chunky; B.G. Walker, asst mktg mgr-Special Request; M.A. Kane, asst mktg mgr-condensed soups.
Brands/services by agency of record:

Red & white label condensed soups
"Special Request" soups

Ad agency: Backer Spielvogel Bates Worldwide, New York: Robert Holmen, exec vp-ceo; Joseph Prior, sr vp-mgmt super; Pamela Marcus, Nancy Adler, Suzanne Brisedine, acct supers.

■

Chunky soup
Home Cookin'

Ad agency: BBDO, New York: Anthony Brescia, mgmt super; Robert McGreevy, acct super.

■

Hispanic adv

Ad agency: Conill Advertising, New York: Rafael Conill, chmn; Alicia Conill, president.

Dry Foods

Marketing personnel: P.W. Comisky, category genl mgr; J.K. Ouellette, assoc mktg mgr.
Brands/services by agency of record:

Dry quality soup & recipe mix

Ad agency: Backer Spielvogel Bates Worldwide, New York: Joseph Prior, sr vp-mgmt.

Convenience Foods

orporate personnel: S.A. McNeil, vp & up genl mgr.
Marketing personnel: R.F. Bernstock, category genl mgr-traditional meals; W.R. Lorgus, ategory genl mgr-breakfast; P.F. Goodman, ktg dir-premium meals; G.S. Loesch, sr mktg mgr-Great Starts; M.S. Kessler, mkgt dir; R.M. Revelle, Jan Zielinski, Dann Kauffman, M.G. Smith, A.D. Van Beuren, L.C. Rohrer, mktg mgrs; J.P. Brennan, J.T. Dagrosa, J.T. Jury, R.A. Bader, Eugene Sung, assoc mktg mgrs.
rands/services by agency of record:

Swanson meat pies
Swanson reg & Hungry-Man dinners & entrees

Ad agency: Hal Riney & Partners, San Fran-isco: John Yost, sr vp-genl mgr; Margaret M ane, vp-mgmt super; Karen Wallenrich, acct super; Doug Rose, acct exec.

■

Canned poultry prods
Great Starts Breakfast
Le Menu
Le Menu Lightstyle
New prods
Swanson

Ad agency: Ogilvy & Mather, New York: Graham Philips, exec vp-super; Cliff Angers, sr vp-acct group dir; David Mechlin, vp-mgmt super; Myra Maultasch, acct exec; LaVida Dowdell, acct exec.

Grocery

orporate personnel: Robert Subin, group genl mgr; Terry W. Simmers, president-Juice Bowl prods.
Marketing personnel: J.M. Dorsch, category genl mgr-beverages; B.E. Horlbeck, J.F. Van Stone, mktg dirs-beverages; F.P. DiRubbo, M.M. Muller, sr mktg mgrs-beverages; W.E. McLaughlin, D.J. Lowry, J.K. Schiffer, S.E. Reed, mktg mgrs-Italian foods; R.M. Plank, Timothy Sager, mktg mgrs-beverages; Verona Smith, A.E. Wilcox, assoc mktg mgrs-beverages; T.M. Chandler, A.S. Brown, asst mktg mgrs-beverages; G.K. Poirier, G.H. Warwick, J.A. Bertels, assoc mktg mgrs-Italian foods; Margaret Giannone, mktg coord-beverages.
Brands/services by agency of record:

Hispanic adv

Ad agency: Conill Advertising, New York: Rafael Conill, chmn; Alicia Conill, president.

■

Franco-American pasta

Ad agency: DDB Needham Worldwide, New York: Leo Mamorsky, acct super.

■

New prods
Prego
Prego frozen

Ad agency: FCB/Leber Katz Partners, New York: Bob Hirsch, sr vp-mgmt rep; Nancy Beck, vp-acct super; Beth Green, acct exec.

■

Juice Bowl
New prods
V-8 tomato juice

Ad agency: Saatchi & Saatchi, London: Andre Stanbridge, group acct dir; Chris McCann, acct dir; Chris Harris, acct dir.

Chilled Foods Group

Corporate personnel: Carl W. Calandra, group genl mgr.
Marketing personnel: T.C. Canard, genl sales mgr.
Brands/services by agency of record:

Chilled food prods

Ad agency: Britt Agency, Lynchburg, Va.; Frank Britt, acct exec.

Mrs. Giles Country Kitchens
Lynchburg, Va.

Corporate personnel: Carl W. Calandra, president.
Marketing personnel: Thomas Canard, vp-sales & mktg; R.S. Dow, mktg dir.
Brands/services by agency of record:

Mrs. Giles Country Kitchens

Ad agency: Britt Agency, Lynchburg, Va.; Frank Britt, acct exec.

Mrs. Kinsers Home Style Foods
Smyrna, Tenn.

Corporate personnel: C.W. Calandra, president; J.B. Griffith, vp-genl mgr.
Marketing personnel: R.S. Dow, mktg dir.
Brands/services by agency of record:

Mrs. Kinsers Home Style Foods

Ad agency: Britt Agency, Lynchburg, Va.; Frank Britt, acct exec.

New Ventures Group

Corporate personnel: P.S. Levy, genl mgr; J.A. Blood, category genl mgr-Convenience stores.
Marketing personnel: Diane Stalker, mktg mgr-Convenience stores; E.A. Senior, sr production mgr-Souper Combo; Joseph Herget, asst production mgr-Souper Combo.
Brands/services by agency of record:

Convenience stores

Ad agency: W.B. Doner & Co., Southfield, Mich.: R.J. Friday, sr vp-group mgmt super.

■

Souper Combos

Ad agency: BBDO, New York: Anthony Brescia, mgmt super; Marcia Wolcyk, acct super; Wendy Goralnick, acct exec.

Fresh Foods Group

Corporate personnel: K.W. Leighton, group genl mgr.
Marketing personnel: D.E. Herr, category genl mgr-fresh produce; F.A. Dudowicz, mktg dir-fresh produce; S.J. Stiles, mktg mgr-fresh produce; S.M. Regan, category mgr-salad dressing; M.D. Pommer, sr mktg mgr-salad dressing.
Brands/services by agency of record:

Fresh produce

Ad agency: (In-house) CSC Advertising: Paul N. Mulcahy, president.

■

Salad dressing

Ad agency: Margeotes/Fertitta/Weiss, New York: George Fertitta, president; John Margeotes, chmn & ceo; John Weiss, exec vp-creative dir.

Mendelson-Zeller Co.
Fresno, Calif.

Corporate personnel: Robert Reinecke, president; D.E. Eckert, vp-operations; M.R. Reed, sr vp; S.T. Casca, vp-natl sales; R.J. Kunkel, president-food svc.
Marketing personnel: G.W. Thompson, W.W. Gabrys, mktg mgrs; W.C. Lehners, L.L. Lynn, mktg dirs; D.S. Mora, sr mktg mgr.
Brands/services by agency of record:

Mendelson-Zeller Co.

Ad agency: Della Femina, McNamee WCRS, New York: A.J. Rosenthal, chmn.

Godiva Chocolatier
New York

Corporate personnel: Tom Fey, president.
Marketing personnel: Robin Scheer, dir-mktg; Gail Seibel, dir-mktg, new prod; David Anderson, mktg mgr-retail; Margo Davis, Nancy Kanterman, brand mgrs.
Brands/services by agency of record:

Godiva

Ad agency: Margeotis/Fertitta/Weiss, New York: George Fertitta, president; John Margeotes, chmn & ceo; John Weiss, exec vp-creative dir.

Vlasic Foods
Bloomfield, Mich.

Corporate personnel: J.R. Scales, president.
Marketing personnel: R.W. Shaw, vp-mktg; L.T. Uhl, dir-mkt rsch; D.M. Striegel, vp-food svc business unit; David DeWalt, dir-mktg-food svc business unit; Thomas Bitterman, sr vp & genl mgr-gravies & sauces business unit; Timothy List, mktg dir-gravies & sauces business unit; E.C. Tazzia, vp-genl mgr-Hispanic business unit; David Willard, sr vp & genl mgr-olives business unit; B.B. Gesserman, mktg dir-olives business unit; D.L. Lunghino, sr vp & genl mgr-pickles business unit; M.J. Hammond, dir mktg-pickles business unit; S.J. Terry, Sr., production mgr-pickles business unit.

Vlasic foods

Ad agency: W.B. Doner & Co., Southfield, Mich.: Richard J. Friday, sr vp-group mgmt super; Steve LaGattuta, exec vp-creative; Ed Boasberg, Liz Conlin, acct supers.

Pepperidge Farm
Norwalk, Conn.

Corporate personnel: R.A. Shea, president.
Marketing personnel: W.R. Encherman, mktg dir-biscuit; David Albright, vp-mktg & genl mgr-biscuit; C.V. McCarthy, vp & genl mgr-bakery; P.J. Callaghan, mktg dir-bakery; C.W. Rydin, genl mgr-frozen; E.A. Anderson, mktg dir-frozen; B.L. Gustaitis, genl mgr-food service; C.E. Woodward, mktg dir-food service; R.E. Schmalz, genl mgr-mail order; J.E. Tierney, vp-corp relations.
Brands/services by agency of record:

Pepperidge Farm

Ad agency: Ogilvy & Mather, New York: N.R. Berry, president; R.N. Eastbrook, vp-sr mgmt super.

Domsea Farms
Bremerton, Wash.

Corporate personnel: C.M. Monaghan, genl mgr.
Brands/services by agency of record:

Domsea Farms

Ad agency: (In-house): CSC Advertising: Paul N. Mulcahy, president.

Mrs. Paul's Kitchens
Philadelphia, Pa.

Corporate personnel: W.J. Dowd, president.
Marketing personnel: G.W. Piszek, sr vp-sales & devel; R.R. Schnorbus, sr vp-operations; Daniel Lynn, vp-mktg; R.J. Johnson, mktg mgr; R.J. Davis, production mgr; W.J. Tullis, mktg mgr; J.A. Rasati, assoc production mgr; J.R. Bailey, mktg asst.
Brands/services by agency of record:

Mrs. Paul's Kitchen

Ad agency: DDB Needham Worldwide, New York: Leo J. Mamorsky, acct super; Lisa Baker, acct exec; Jeff Koss, asst acct exec.

Campbell World Trading Co.
Camden, N.J.

Corporate personnel: N.F. Barnes, president & genl mgr.
Marketing personnel: Jeanne Blauner, dir-mktg.
Brands/services by agency of record:

Campbell World Trading Co.

Ad agency: Margeotes/Fertitta/Weiss, New York: Betty Rauch, mgmt super.

RANK
14

Chrysler Corp.

Highland Park, Mich.
ADVERTISING: **$ 568.7** MILLION

Sales & earnings

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	26,277	22,586	16.3
Earnings	1,290	1,389	(7.2)
U.S.	**1987**	**1986**	**% chg**
Sales	23,685	20,489	15.6
Division sales	**1987**	**1986**	**% chg**
Automotive	25,337	21,952	15.4
Aerospace	940	635	48.0

U.S. advertising by media

($ in thousands)

Media	**1987**	**1986**	**% chg**
Newspaper	70,166	42,203	66.3
Business pub.	2,214	1,257	76.2
Magazine	100,446	95,994	4.6
Newsp supp.	4,596	6,108	(24.8)
Farm pub.	608	418	45.5
Outdoor	2,383	1,881	26.7
Network TV	151,569	147,036	3.1
Spot TV	82,836	67,309	23.1
Network cable	6,684	7,642	(12.5)
Network radio	4,874	1,653	194.8
Spot radio	17,345	21,071	(17.7)
Measured	443,722	392,571	13.0
Unmeasured	125,000	111,000	12.6
Total	568,722	503,571	12.9

Chrysler Corp. experienced its first dip in its share of the U.S. retail car market in five years in 1987, although it was consoled by a substantial increase in truck market share related to its Aug. 5, 1987 acquisition of American Motors.

Despite its decline in car market share, Chrysler Motors, the vehicle-producing subsidiary of Chrysler Corp., enjoyed a banner year in 1987, including the acquisition of two well-known automotive nameplates—Jeep and Lamborghini—and further fine-tuning of its brand marketing program.

Chrysler, which held a 10.5% of the U.S. car market in 1987, down from 11.5%, boosted its U.S. truck market share to 15.9% from 12.1%. Share figures for 1987 calendar year include AMC, Renault and Jeep products from Aug. 6 to Dec. 31.

In total ad expenditures, Chrysler Corp. spent $568.7 million in calender year 1987, compared to $503.6 million in 1986. In 1987, Chrysler spent $125 million in unmeasured media and $443.7 million in measured media. In specific media categories, Chrysler spent $70.1 million in newspapers, $2.2 million in business publications, $17.3 million on spot radio, $608,000 in farm publications, $100.4 million in magazines, $151.6 million on net TV, $82.8 million in spot TV and $2.4 million in outdoor.

American Motors spent $116.2 million in total advertising in 1986 compared to $125.6 million in 1985. Ad expenditures for American Motors in 1987 are included in Chrysler figures for that year.

Chrysler continued to battle a tough automotive marketplace with costly consumer incentives and swallowed the expenses of its acquisition of American Motors. The company's net earnings of $1.29 billion compared to $1.39 billion in 1986 when Chrysler included a one-time net profit of $131.9 million from its interest in French automaker Peugeot.

All four of the company's car marketing divisions posted unit sales declines in 1987. The Dodge division sold 407,174 cars in the U.S. in 1987, down 20.2% from 510,136 in 1986. The Chrysler division sold 296,362, down 15.7% from 351,741 in 1986. The Plymouth unit sold 343,981, down 17.3% from 415,701. Eagle division (formerly the AMC car operations) sold 44,626, down 39.9% from 74,242 in 1986.

Dodge division truck sales in the U.S. for 1987 totaled 708,125, up 18.8% from 596,159. Jeep sold 208,440 units for the year, up 0.5% from 207,514 in 1986.

Among the leading nameplates, the Chrysler LeBaron coupe, including its convertible version, led the Chrysler unit in sales with 78,429 compared to 40,390 in 1986. The LeBaron received $28.7 million in measured ad spending, up from $13.6 million in 1986, according to BAR/LNA.

The aging Plymouth Reliant sedan paced Plymouth car sales with 83,415 compared to 99,727 in 1986. Advertising was measured at $5.3 million, up 23% from the prior year, according to BAR/LNA. More ad dollars, however, were spent advertising Plymouth's Sundance ($12.9 million, down 9%) and Voyager wagon, ($10.8 million, down 21%).

Reliant's sister car, the Dodge Aries, outsold the Dodge lineup with 81,182 compared to 80,581 in 1986. It received only $4.5 million, up 50%.

The Renault Alliance, although canceled after the 1987 model year, was the best-selling car for the Eagle Division in 1987 with 26,132 compared to 49,907 in 1986. It received $3.6 million, down from $14.8 million in 1986. The Renault Medallion pulled far greater ad support of $15.6 million, up from only $14,000 in 1986.

In 1988 model-year advertising, Chrysler introduced the Eagle Premier and its Jeep-Eagle division on Dec. 22 with its $25 million "Big Bang" promotion. William Estÿ Co. (now Campbell-Mithun-Esty), the ad agency used by AMC and retained by Chrysler after the takeover, created the ads.

The ad blitz included both ads for the European-designed sedan and introduction ads featuring Chrysler Corp. Chairman Lee Iacocca. Mr. Iacocca also appeared in a patriotic ad for the Jeep-Eagle division that appeared in the beginning of video cassettes of the movie "Platoon."

Esty also continued its "Only in a Jeep" campaign for Jeep with heavy concentration on the Cherokee and Comanche. In 1987, the two together received $33.7 million in measured advertising, up 17.4%, according to BAR/LNA. Dodge brought its car and truck products under one themeline for 1988—"It's got to be a Dodge." Dodge, which is handled by BBDO, Southfield, Mich., used b&w running footage with bright red vehicles in ads for its Dodge Daytona Shelby Z, Dodge Caravan and Dodge Dakota. Chrysler spent $67.9 million on these vehicles in 1987, compared with $24.5 million in 1986.

Plymouth continued to use the themeline "The pride's inside—Born in America" to stress the division's value and content attributes. Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich., handles Plymouth advertising.

Chrysler division advertising, also handled by BJK&E, stressed its luxury image with ads for its new New Yorker and New Yorker Landau. Ricardo Montalban returned as Chrysler division's spokesman after a one-year absence to help launch the two new cars and introduce a special "Crystal Key" comprehensive maintenance program for the two models. The Mexican-born actor has been a Chrysler spokesman for 14 years.

Chrysler also purchased three-quarters of the automotive TV spots on telecasts of the Winter Olympic Games, which aired in February. Jeep was the official truck of the Olympic Games.

A special campaign was created for the Winter Olympic spots called "Chrysler—We do it right" by Chrysler's corporate agency BJK&E. The nearly $40 million campaign featured Chairman Iacocca touting selected products from each division. He departed from his usual tough-talking spokesman role for the campaign to appear with an owl and a shaggy dog in the campaign.

The 1988 model year was filled with upscale products for Chrysler. It introduced a front-wheel-drive New Yorker and New Yorker Landau. Jeep-Eagle received the new Premier in December and Mitsubishi-built Eagle Summit in August 1988. The Renault Medallion, a product inherited by Chrysler when it purchased AMC, was rebadged the Eagle Medallion.

The company plans to introduce the Dodge Spirit and Plymouth Acclaim sedans and a four-wheel-drive version of the Plymouth and Dodge Colt wagon in the 1989 model year. The two-seater luxury convertible Chrysler's TC by Maserati is scheduled to bow in November 1988 as an 1989 model, after numerous introduction delays.

It also plans to introduce in the spring of 1989 the Plymouth Laser, a sporty coupe built by Diamond Star Motors, the Chrysler-Mitsubishi joint venture.

The 1988 model year was also a time for a personnel shakeup at the top. Harold K. Sperlich, Chrysler president, took an early retirement in January 1988. Bennett E. Bidwell, vice chairman of Chrysler Motors, was named president of product and marketing for Chrysler Motors. Robert A. Lutz, exec vp of international operations, trucks and components, was named president of operations.

In other corporate news, Chrysler was holding talks with a handful of companies in attempt to sell parts of its Acustar parts-making subsidiary in early 1988. The United Auto Workers, fearing huge job losses, threatened a walkout and later Chrysler reversed its decision to sell the parts maker.

Chrysler also met with resistance from the UAW when it announced it would close its aging Kenosha, Wis. assembly plant, formerly owned by AMC. The closing was a public relations nightmare and Chrysler agreed to set up an estimated $20 million trust fund to help Kenosha workers and their families.

Chrysler Corp. Chairman Iacocca also published his second autobiography, "Talking Straight," in May 1988, although literary critics had scant praise for the successor to his mega-hit autobiography, "Iacocca."

CHRYSLER CORP.
P.O. Box 1919
Detroit, Mich. 48288-1919
(313) 956-5741

Marketing personnel: Bennett E. Bidwell, president-prods and mktg; Joseph E. Cappy, group vp, Jeep-Eagle; Joseph A. Campana, vp-Chrysler-Plymouth; Jerome B. York, vp-Dodge car and truck div; Arthur C. Liebler, dir-mktg svcs; Ralph A. Sarotte, genl mktg mgr-Eagle; Martin L. Levine, genl mktg mgr-Jeep; Charles B. Kitz, genl mktg mgr-Dodge car; John MacDonald, genl mktg mgr-Dodge truck; Clark Vitulli, genl mktg mgr-Chrysler; Patrick Smorra, genl mktg mgr, Plymouth.
Brands/services by agency of record:

Dodge car and truck

Ad agency: BBDO Worldwide, Southfield, Mich.: William Kelly, exec vp-genl mgr; Michael Graham, vp-mgmt super, truck; Gene McCarthy, sr vp-exec media dir; Peter DeLorenzo, sr vp-exec creative dir; Tom Newman, sr vp, dir-planning & rsch; William Oswald, sr vp, car and truck; John Hammond, sr vp, car; David Jones, sr vp-mgmt super, Dodge Dealer Assn; Dave Harrelson, vp-operations mgr., Doug Rick, vp-prod info mgr; Allen Werneken, vp-assoc creative dir, Dealer Advantage Assn. svcs; Dennis Goschka, vp-corp legal counsel; Gordon Berg, Michael Gonyea, vps-acct supers; Marc Caroselli, Tim Miller, acct supers; Brian Juergens, William Freed, sr acct execs; Rich Babich, Michelle White, Mike Woods, Dan Hutzell, acct execs; Mike Suchara, Jeff Roberge, asst acct execs.

■

Corp adv
Chrysler-Plymouth

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich.: Leo Arthur Kelmenson, chmn exec committee; David Bell, vice-chmn; Ron DeLuca, president; George Beech exec vp-genl mgr; Bruce Andrews, sr vp-assoc genl mgr; Alan Levenstein, exec vp-mktg; Lynn Vernon, sr vp-mgmt super; Chuck Russo, vp-acct super; Nancy Sparrer, sr acct exec; Jerry Strabbing, assoc acct exec; Meri Simons, legal counsel; Kathleen Corrigan, dir-adv clearance, coord-legal adv clearance; Phil Matz, sr vp-media dir; Elton Kruger, sr vp, dir-planning; Phil Floyd, assoc media dir; Dave Bean; media planner; Steve Larson, asst planner; Ken Duskin, exec vp-creative dir; Bruce Montgomery, sr vp-assoc creative dir; Robert Crothers, sr vp, dir-strategic & forward planning (New York); Phil Reuschle, sr vp, dir-forward planning (Detroit).

■

Jeep/Eagle

Ad agency: Campbell-Mithun-Esty, Southfield, Mich.: David C. Welch, chmn & ceo; David Van Peursem, exec vp-mgmt dir; Scott Thornton, vp-mgmt super, Jeep; Tom Luke, dir-consumer perspectives; Jim Bourdganis, acct super, Jeep; Walter Dunne, vp-mgmt super, mktg svcs; Len Miller, acct super, Jeep; William Wilcox, acct super, Eagle; Carl Chakmakian, acct super-dealer; John Gibson, acct super prod info; Dan Williams, sr vp-mng dir; Tom Deska, vp-mgmt super; Jerry Acciaioli, acct super; William Tausch, acct super; Mike Belitsos, sr vp-creative dir; Frank Brugos, vp-assoc creative dir; Todd MacIntosh, Steve Goldsworthy, Charles Glass, vps-creative supers; Tom Thompson, Robert Zak, vps-deputy creative dirs; Colette Bukowicz, creative super-copy; Chuck Meeker, creative super-art.

■

Minority adv

Ad agency: Lockhart & Pettus, New York: Keith Lockhart, president.

■

Corp merch & adv
for Chrysler svcs & parts
Chrysler Fleet operations
Corp merch for Chrysler Motors
Chrysler-Plymouth, Dodge car & Dodge truck
Chrysler Marketing Institute

Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Glen W. Fortinberry, chmn & ceo; Richard Ward, exec vp-genl mgr, RR Communications; Joseph Schulte, exec vp, dir-automotive; Joseph M. McNeil, exec vp-exec creative dir; R. John Oliver, sr vp-genl mgr, RR Productions; James Vehko, Donald Scheich, Michael Webster, sr vps-mgmt supers; Michael Labiak, sr vp-creative dir; Sidney Houghton, sr vp-assoc creative dir; David Garfield, sr vp, dir-rsch; Rex Smith, vp-mgmt super; Rick Betker, vp-group acct super; Arnold Burke, Robert West, Thomas Kemper, John Sych, Donald Baldwin, Michael Pinckes, Gary Reutenik, vps-acct supers; Judi Toundas, vp-genl mgr, incentives; Charles Gegenheimer, vp, dir-consumer prods div; James Hanna, Marvin Megison, William Taylor, vps-creative; Walt Garrett, vp-dir; George Abdullah, Clark Reid, Rollin Gish, Robert Nowak, John Graffius, vps-RR Productions.

RANK
87

Clorox Co.

Oakland, Calif
ADVERTISING: $ 102.1 MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	1,126	1,089	3.4
Earnings	105	96	9.7
■ Division sales	**1987**	**1986**	**% chg**
Grocery prods	1,022	104	885.7
Architectural coatings	973	117	734.0

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	842	423	99.2
Business pub	2,740	1,165	135.2
Magazine	8,929	7,482	19.3
Newsp supp	936	0	NA
Outdoor	14	0	NA
Network TV	40,123	39,022	2.8
Spot TV	14,670	12,320	19.1
Network cable	6,894	5,444	26.7
Network radio	0	1,362	NA
Spot radio	983	150	557.1
Measured	76,132	67,367	13.0
Unmeasured	26,000	23,000	13.0
Total	102,132	90,367	13.0

Clorox Co.'s continued efforts to diversify beyond bleach, which accounts for nearly half of the company's profits, resulted in a 13% increase in ad spending and an 11.9% increase in sales for its last fiscal year.

That diversification effort, which has included salad dressings, charcoal, paints, cat litter, air fresheners and bottled water in recent years, will get perhaps its biggest thrust in 1988 when Clorox moves into the laundry detergent market with Clorox Super Detergent.

Tested for 18 months as Wave, the company decided to roll out the product in four Western states in June 1988, using the Clorox name. DDB Needham Worldwide, Chicago, is the agency.

Wave won market shares of 5.7% to about 8.5% in Denver, Salt Lake City, Memphis and Charleston, S.C., during its test encouraging the company to start the roll-out described by company officials as "more than a test and less than a commitment to a national brand."

While Clorox spent less than $2 million in measured media for Wave in 1987, analysts believe the company will have to spend more than $50 million for Clorox Super Detergent to impress consumers nationwide. Such spending would adversely affect company earnings in 1988, but analysts say the benefits of establishing a foothold in the $3.5 billion detergent market could positively affect the company bottom line for years to come.

If Clorox Super Detergent could command a 5% share, it would mean more than $175 million in annual sales further reducing the company's dependence on liquid and dry bleach. Clorox currently commands a 55% share of the total U.S. liquid and dry bleach market with some 45% of the company's profits directly attributable to bleach.

The challenge facing Clorox in the detergent world, however, is direct competition with heavy hitters such as Procter & Gamble, Colgate-Palmolive Co. and Unilever. P&G responded to Clorox Super Detergent by testing "lemon fresh" Comet liquid chlorine bleach in northern and central Indiana with a 12% to 15% market share. P&G is also testing Tide with bleach in the East, ostensibly to undercut Clorox Super Detergent's potential introduction nationwide.

John W. Collins, Clorox's chairman-chief operating officer, seems to relish the battle. "They're big, they're good and they're tough. But they're also reputable competitors. They play above board. To the extent that it's a fight, it will be a fair fight."

Clorox's heaviest measured ad spending is in support of its liquid chlorine bleach, totaling some $8 million for 1987, down 11%. The company also spent $6.1 million for Clorox 2 liquid in 1987, a tenfold increase over 1986, while decreasing measured spending for Clorox 2 bleach powder by 42% to $5.4 million, according to BAR/LNA.

The company is also testing Clorox Lemon Scent liquid chlorine bleach in Houston as a possible extension of its premium-priced Fresh Scent Clorox liquid introduced in January of 1986.

Among its other household products, according to BAR/LNA, measured spending increased the most for Formula 409, up 45% to $4.5 million which is near the product's 1985 level of support. Clorox spent $3.9 million in measured spending on Liquid-plumr in 1987, the same as 1985 and 1986, and $5.5 million on Soft Scrub Cleanser, down about 8% from 1986. The company also introduced Soft Scrub cleanser with bleach to two-thirds of the country in 1988 as a companion to regular Soft Scrub, but has yet to gauge sales.

Act, a concentrated laundry detergent in pre-measured "action pak" previously in test, has been dropped as the company concentrates on Clorox Super Detergent this year.

But as the company awaits the results of the laundry detergent roll-out in 1988, it is taking steps to become a more significant factor in food. The company is testing two pasta salad dressing mixes, Creamy Ranch and Ranch Style Italian, and a potato salad mix, Ranch with Bacon, in Cincinnati, Denver and Miami. Young & Rubicam, San Francisco, is the agency.

Measured spending for its various Hidden Valley Ranch dressings and mixes totaled $10.7 million in 1987, a 32% increase, according to BAR/LNA.

In addition the company is developing new products in the "barbecue/picnic/leisure time" area under the Kingsford brand. Clorox spent $3.6 million to introduce K.C. Masterpiece barbecue sauce nationally through its Kingsford division in 1987. Young & Rubicam, San Francisco, is the agency. Spending for Kingsford charcoal briquets remained virtually unchanged at $5.6 million, while Match Light, a test product in 1986, received $3 million in measured spending for its 1987 roll-out.

In the non-retail foodservice area, Clorox introduced Moore's beer-battered Monterey Jack cheese sticks, zucchini slices and mushrooms as a line extension to its popular Moore's onion rings.

Clorox expanded its bottled water holdings in 1987 by acquiring three small Florida companies that will likely be consolidated with Lodi, N.J.-based Deer Park Spring Water Co. and Aspen Water Co. in Tampa, Fla., two companies Clorox purchased in January 1987.

Earnings for the company's paints and stains business improved significantly last year because of a decision to stop marketing the Olympic and Lucite lines in the same outlets. Now the Olympic line is selling to independent retailers while the Lucite line is sold to mass merchandisers. Measured spending for Lucite also dropped about 37% to $2.3 million in 1987.

The company's architectural coatings business (paints and stains) has consistently contributed about 10% of total company sales, but its profits have been only marginal. Some analysts predict an eventual divestiture if performance does not improve.

Clorox also purchased its office building this year, reinforcing its ties with the city of Oakland.

CLOROX CO.
1221 Broadway
P.O. Box 24305
Oakland, Calif. 94623
(415) 271-7000

Corporate personnel: John W. Collins, president-coo; R.C. Richter, vp-Olympic Home Care prods; W.E. Lynn, vp-Kingsford prods; G.C. Sullivan, vp-household prods; A.W. Biebl, vp-food service prods.

Marketing personnel: David L. Goodman, vp-public affairs & mktg svcs; R.P. Johnson, adv mgr-household prods; Jack Robertson, adv mgr-Kingsford prods; K.S. Koelman, dir-mktg, food service prods; R.C. Anton, mgr-Lucite paint prods; D.S. Gregory, brand mgr-Olympic prods; R.K. Heinemann, mgr-professional mktg, Olympic prods; R.H. Bolte, dir-media operations.

Brands/services by agency of record:

Hidden Valley Ranch
Domani Italian food prods-food service

Ad agency: Anderson/Rothstein, San Francisco: Kim Rothstein, acct super.

■

Clorox Pre-Wash
Liquid plumr
Match light
Soft Scrub
Soft Scrub with bleach
Kingsford charcoal
Kingsford BBQ Bag
Clorox Super Detergent

Ad agency: DDB Needham Worldwide, Chicago: Colby Kerr, group acct dir.

■

Clorox bleach
Clorox Fresh Scent
Clorox 2
Liquid Clorox 2
Formula 409
Tackle
Twice As Fresh
Tilex
New prods

Ad agency: Foote, Cone & Belding, San Francisco: John Loden, mgmt super.

■

Moore's frozen foods
Clorox liquid bleach
Formula 409
Kitchen Bouquet for Clorox
Food service customers

Ad agency: Scott Advertising, Milwaukee: Charles E. Reynolds, mgmt super.

■

Fresh Step
Hidden Valley Ranch dry salad dressing
Bottled Hidden Valley Ranch
Olympic pains & stains
Lucite interior and exterior paints
K.C. Masterpiece
New prods

Ad agency: Young & Rubicam, San Francisco: Craig Branigan, genl mgr.

RANK
25

Coca-Cola Co.

Atlanta
ADVERTISING: $ 364.7 MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	7,658	6,977	9.8
Earnings	916	934	(1.9)
■ U.S.	**1987**	**1986**	**% chg**
Sales	3,459	3,278	5.5
Operating income	385	274	40.4
■ Division sales	**1987**	**1986**	**% chg**
U.S. soft drinks	2,120	2,016	5.1
Intl soft drinks	4,109	3,629	13.2
Foods	1,414	1,320	7.2
Corporate	15	12	23.5

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	5,467	5,227	4.6
Business pub	584	668	(12.6)
Magazine	4,087	5,694	(28.2)
Newsp supp	35	161	(78.0)
Outdoor	2,083	3,166	(34.2)
Network TV	111,153	99,381	11.8
Spot TV	71,061	82,993	(14.4)
Network cable	8,766	5,997	46.2
Network radio	2,449	2,222	10.2
Spot radio	13,051	16,608	(21.4)
Measured	218,737	222,117	(1.5)
Unmeasured	146,000	148,000	(1.4)
Total	364,737	370,117	(1.5)

Coca-Cola Co. has been absorbed over the past two years by its sweeping financial restructuring while counting up healthy returns from its foreign operations.

On the heels of the 1986 move to buy many of its major bottlers and spin them off into a separate corporation called Coca-Cola Enterprises Inc., the Atlanta-based soft drink company performed nearly the identical maneuver with its entertainment businesses in 1987.

Coke's Columbia Pictures entertainment group was merged with Tri-Star Pictures, Inc. and the combination spun off into Columbia Pictures Entertainment Inc. As was the case with Coca-Cola Enterprises, the parent company maintained a 49% interest in the new Columbia Pictures business. The majority of stock was distributed to the existing shareholders of Coca-Cola and Tri-Star.

Altogether, Coke's investments in such businesses brought in $119 million in profits during 1987 and left its marketing wizards free to concentrate on its robust soft drink business and still-troubled foods division.

Coca-Cola spent $720 million worldwide on media advertising in 1987, up 11% from 1986—a percentage increase resulting primarily from the decline in the dollar, said the company. Coca-Cola's foreign operations represented about 55% of net operating revenues in 1987, compared with 46.5% only two years ago when the dollar was stronger.

For Coca-Cola, market hegemony in its core soft drink business has become more a way of life than a fact of business. Dominance continued in 1987 with all Coca-Cola Co. soft-drink brands holding a 40 market share—up 0.2 share points from 1986, according to an analysis by the trade magazine *Beverage World*. Chief rival PepsiCo kept pace but was unable to decrease Coke's lead by also moving up 0.2 share points to 30.9%. In the fast-rising diet segment, Coke brands achieved a 50.6% share well ahead of PepsiCo's 38.6%.

"The diet category has been growing and it's an area where the companies obviously believe there is movement to be made in market share," said Lee D. Wilder, senior VP of Robinson-Humphrey Co. Inc., and soft-drink industry analyst.

"Coke and Pepsi may swap half a percentage point in the sugar cola segment, but they are obviously trying to establish market position in the diet segment, even at the risk of margins."

If Coke is an awesome presence in the U.S. soft drink market, it is an overwhelming force overseas. Coca-Cola derives some 77% of its soft drink operating income from its international operations. Moreover, analysts note that the company's foreign sales are expected to grow at about twice the rate of the company's domestic sales.

In January, Coca-Cola USA undertook a management shakeup and the realignment of the corporate structure. As a result of the Coca-Cola Enterprises spinoff, the parent Coca-Cola USA was no longer playing mother hen to a clutch of independent bottlers. This left expendable some 200 staffers at Coca-Cola USA, who were laid off. The company also restructured its management to separate the advertising functions from the promotion, media and packaging functions. Mike Beindorff was named advertising manager and the key contact for the company's major agencies: Lintas:New York, Lowe Marschalk and McCann-Erickson.

The foods sector, which lost ground in sales during 1986 from the prior year, rebounded in 1987 with a 7.1% increase in revenue. But the company struggled to reposition its Minute Maid orange juice line for popular taste—premium orange juice, which is chilled and pasteurized and not made from concentrate.

Minute Maid, however, ran into hot water with its premium offer, called Premium Choice, that it launched in December in 16 Midwestern states. Tropicana, in a law suit, challenged Minute Maid's ad claim: "Straight from the orange." Coca-Cola removed the claim from its advertising rather than contest the suit.

Minute Maid is the overall orange juice market leader with a 22% share compared to Tropicana's (Seagram) 18%, according to A.C. Nielsen figures of May 1988, but trails Tropicana (32% to 19%) in the rapidly growing ready-to-serve segment worth about $1.4 billion.

Emblematic of the company's problems outside the soft drink business is the steady decline in market share of its coffee segment. Maryland Club and Butternut coffees declined in the marketplace from about 2.5% in 1983 to 2% in 1987. Coca-Cola does not budget any major media spending for the products.

As Coke and Pepsi have done to their competitors in soft drinks, so General Foods and Procter & Gamble have done to coffee, increasing their combined shares from 57.8% in 1983 to 65.8% in 1987.

For the second year in a row, Coca-Cola's total U.S. ad expenditures dropped, according to AA estimates, 1.5% to $364.7 million. TV continued to dominate measured spending. And while the company spent virtually the identical sum of $182.3 million for network and spot TV combined in 1986 and 1987, it shifted emphasis to network in 1987 as that medium grew from 54% to 61% of the total TV expenditure.

COCA-COLA CO.
P.O. Drawer 1734
Atlanta, Ga. 30301
(404) 676-2121

Coca-Cola USA

Corporate personnel: Edwin R. Mellet, sr vp.

Marketing personnel: Mike Beindorff, vp, dir-adv & assoc dir-mktg; Don Lenahan, dir-mktg, Cola brands; Dan Sayre, dir-mktg, non-Cola brands; Jayar Dailey, dir-mktg, New Coke.

Coca Cola Foods

Corporate personnel: H.E. Teasley Jr., vp-Coca-Cola Co., president-ceo, foods business sector; Grady Tiller, president-coffee unit.

Marketing pesonnel: Pierre V. Ferrari, sr vp-mktg, planning foods business sector; Richard M. Helmey, sr vp-food service; Marion J. Campbell, vp-trade mktg; George G. Woody, vp-consumer mktg.

Brands/services by agency of record:

Black adv-Coca-Cola USA

Ad agency: Burrell Advertising, Chicago: Tom Burrell, president; Sarah Burrough, Bill Sharp, sr vps-genl mgrs; Chuck Wimbley, sr vp-acct svcs; Neva Richardson, acct super.

■

Hispanic adv-Coca-Cola USA

Ad agency: Castor Spanish International, New York: Castor Fernandez, president; Carlos Delgado, media dir; Roberto Manzano, creative dir.

■

Sprite
Diet Sprite
Mr. PiBB
Minute Maid orange soda
Fresca
Mello Yello
Coca-Cola Foods

Ad agency: Lowe Marschalk, New York: Richard Vilante, exec vp-genl mgr; Eric Einhorn, Dan Cohen, exec vps-acct svcs; Joseph DePreta, Peg Jump, mgmt supers; Lil Panettiere, mgr.

■

Coca-Cola Classic
Caffeine-Free Coca-Cola
Fanta

Ad agency: McCann-Erickson, New York: Edward Comiskey, sr vp-group dir; Marsha Badanes, sr vp-mgmt rep; Melvin Philpott, vp-mgmt rep.

■

Diet Coke
Caffeine Free Diet Coke

Ad agency: Lintas:New York: F. Stone Roberts, chmn & exec vp, strategy review board; Rudy Bechtel, exec vp; Becky Broers, vp-acct super; Terry Rosenquest, exec vp, Michael Skoletsky, vp-acct super; Lisa O'Connell, Sheila Dailey, acct execs.

RANK
30

Colgate-Palmolive Co.

New York
ADVERTISING: $ 279.8 MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	5,647	4,985	13.3
Earnings	54	177	(69.6)
■ U.S.	**1987**	**1986**	**% chg**
Sales	2,487	2,286	8.8
Operating income	164	189	(13.3)
■ Division sales	**1987**	**1986**	**% chg**
Household	4,242	3,675	15.4
Health care	1,022	994	2.8
Specialty mktg	384	315	21.9

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,754	1,102	59.1

■ Media	1987	1986	% chg
Business pub	362	117	208.7
Magazine	7,810	11,514	(32.2)
Newsp supp	411	120	242.1
Outdoor	4	0	NA
Network TV	68,572	65,886	4.1
Spot TV	22,614	13,415	68.6
Network cable	342	1,369	(75.1)
Network radio	197	672	(70.8)
Spot radio	749	1,089	(31.2)
Measured	102,813	95,284	7.9
Unmeasured	177,000	164,000	7.9
Total	279,813	259,284	7.9

Colgate-Palmolive Co., in its quest to become the leading international packaged-goods marketer by 1991, refined its global marketing structure in 1987, which resulted in a $211 million pretax charge, a net loss in the third-quarter and the elimination of 600 middle-management jobs.

Colgate chairman, president-CEO Reuben Mark said the restructuring will "improve the management of our global business and new-product momentum."

To stay competitive with Unilever and Procter & Gamble Co., Mr. Mark said Colgate, which introduced 201 new products and line extensions worldwide in 1987, would sell the remaining units of its Kendall Co. healthcare division as early as the fourth quarter of 1988. Kendall accounted for $1 billion, or 18%, of Colgate's $5.6 billion in sales in 1987.

Colgate already has divested two Kendall units and other investments for proceeds of $223 million. The impending sale of Kendall's hospital products groups will give Colgate seed money to invest in new global personal-care and household products, said A. Courtenay Shepard, president of Colgate-U.S. That includes healthcare products such as the Ectra line of analgesics, and allergy and stomach remedies now testing in selected U.S. markets.

Colgate in 1987 acquired Disposer Care, a garbage-disposal deodorizer from Twinoak Products, Plano, Ill., and purchased the liquid soap businesses of Minnetonka, including Softsoap, the leading liquid-soap brand; Sesame Street children's bath products and Village Bath adult bath additives. The company retained Minnetonka agency Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis, to work on the estimated $5 million account.

BJK&E joins a select agency roster which lists Young & Rubicam and FCB/Leber Katz Partners, both New York, as Colgate's main agencies. Business was consolidated with the two agencies in 1986.

Colgate management earlier this year told analysts it spent $500 million on promotion and $385 million on media advertising worldwide in 1987. The company is working on weaning both consumers and the retail trade from dependency on promotional spending, said Clay Timon, Colgate worldwide VP-advertising. Industry sources say that Colgate is getting a big return on coupons.

However, he would not comment on whether the reduced dollars in promotional spending would show up on the media side.

During the year, Colgate subsidiary Hill's Pet Products acquired Veterinary Cos. of America Inc., which is the largest independent distributor of Hill's therapeutic and nutritionally-balanced pet foods.

Overseas, where sales of Colgate's household and personal-care products jumped 17% to $3.2 billion, the company took a major step into the bleach business with the acquisition of certain household-product lines of Cotelle SA, the leading French producer of bleach, and the Klorin Group of Denmark, the bleach category leader in the Nordic countries. The company said the acquisitions moved Colgate into the front ranks of the worldwide bleach category, with strong market positions in seven European markets.

While ranked as a leading marketer outside the U.S., analysts say Colgate-U.S. has not demonstrated it can sustain the momentum of major new-product introductions over an extended period of time.

Colgate's major introduction of 1987 was Fab 1 Shot, a single-dose, washer-to-dryer packet filled with detergent, fabric softener and anti-static ingredients. The estimated $50 million advertising and promotion campaign via FCB/Leber Katz Partners netted the new brand an initial 4% share of the $3.25 billion heavy-duty detergent category, but its share slipped to less than 2% by mid-1988. Colgate is planning a promotional blitz in the fourth-quarter of 1988 to help boost the brand.

Overall, Colgate has only a 14% share of the laundry detergent category, trailing Procter & Gamble, which has more than a 51% share. Colgate during 1987 reformulated its three other heavy-duty detergents—Fab with Fabric Softener, Fresh Start and Dynamo II. More softening agents were added to Fab; a new stain-fighting formula was incorporated into Fresh Start; and Dynamo II liquid detergent was relaunched with a drip-free pour spout and a new stain-fighting formula.

An $18 million network TV and print effort for Fresh Start for the first time took on P&G's Tide by name in a hard-hitting, comparative campaign. The spots compared reformulated Fresh Start's stain fighters with those found in Tide powder, the category leader. Y&R handled.

Although Colgate is the No. 1 toothpaste marketer worldwide, its Colgate brand domestically holds only a 30% share compared to P&G's Crest, which is the leading brand with a more than a 38% share of the $1 billion U.S. toothpaste category.

Colgate in May 1988 broke its first celebrity spokesman campaign for Colgate toothpaste with four TV spots featuring actor Pat Morita as the Colgate "Wisdom Tooth." It pitches both regular Colgate fluoride toothpaste and Colgate Tartar Control Formula, providing a breather in the monotonous tartar war between Colgate and P&G. Y&R handles the $30 million toothpaste account.

To boost its share of the oral-care category, Colgate introduced nationally Colgate Tartar Control Formula mouthwash, which the company claims is the first product to combine a tartar-inhibitor with a breath freshener; rolled-out an improved, easier-to-use pump toothpaste dispenser, and launched Colgate Plus, a toothbrush with a compact head.

Colgate maintained its leading position in the $140 million liquid (at retail) automatic dishwasher detergent segment with Palmolive Automatic, but in the last year the brand has steadily been losing market share as competitors enter the new category.

In mid-June, Palmolive Automatic had a 41.3% share, down from 65.7% a year earlier. During the same time period, P&G's Cascade jumped to 31.6%, up 11 share points, while Lever Bros.' Sunlight earned a 22.5% share in its first year of national distribution. Palmolive Automatic created the liquid dishwashing detergent category two years ago and was the lone player for six months before its rivals entered with their own products. The liquid subsegment dominates growth in the total dishwashing detergent category that grew only 1% to $443.5 million in 1987.

Colgate is betting that a reformulated Palmolive Automatic, introduced in August 1988, will strengthen its market-share position. Y&R produced the $15 million TV campaign themed "Clean the first time around" to support the relaunch of the brand.

Palmolive light-duty dishwashing liquid was extended with a new lemon-lime scent and supported with more than $6 million in national advertising. The brand holds an 18% share of the $660 million category, down 1.5 share points from 1986.

The company reformulated its Irish Spring deodorant soap with skin conditioners, and is testing the waters for the first line extension of the brand with Irish Spring deodorant. Irish Spring soap holds a 5.5% share of the $1.15 billion category, up a half-share point since 1986. Palmolive bar soap had a 1.8% share of the category, unchanged from the previous year.

Overseas, Colgate extended the strong Palmolive haircare franchise from shampoos and conditioners into mousses and hairsprays; completed the global launch of Colgate Tartar Control Formula toothpaste; continued expansion of Axion dishwashing paste through the Third World, and rolled Protex anti-bacterial soap throughout Latin America.

Colgate's measured media spending in 1987 totaled $102.8 million, an 8% increase from $95.2 million in measured media in 1986, according to AA. The acquisition of Softsoap, Sesame Street and Village bath products from Minnetonka added $2.12 million in measured spending.

Much of the increase went into network TV, up 4.1% to $68.6 million, and spot TV, up 69% to $22.6 million, according to BAR/LNA, which also indicated Colgate slashed cable TV spending to almost nothing, spending $342,000, a 75% drop from $1.4 million the previous year.

The national introduction of Palmolive Automatic dishwasher detergent was supported with $11.1 million in network TV and magazines, while spending behind Palmolive light-duty dishwashing liquid declined 19.7% to $6.1 million.

Colgate Tartar Control Formula toothpaste and Colgate Tartar Control Mouthwash were supported with more than $27 million in measured media spending. Colgate spent more than $10 million behind the reformulated Irish Spring with skin conditioners bar soap, a 67% increase from the previous year.

COLGATE-PALMOLIVE CO.

300 Park Avenue
New York, N.Y. 10022
(212) 310-2000

Corporate personnel: Reuben Mark, chmn, president-ceo; William S. Shanahan, sr exec vp-coo, Colgate; J. Dale Sherratt, John M. Watkins, sr exec vps; William G. Cooling, exec vp-chief technological officer; Benjamin C. Davis, vp-human resources; Katharine R. Tarbox, vp-investor relations.

Marketing personnel: Roderick L. Turner, sr exec vp, coo-specialty marketing; Clay S. Timon, vp-worldwide adv.

Colgate U.S.

Corporate personnel: A. Courtenay Shepard, president, Colgate-U.S.; P. Gordon McArthur, exec vp-Colgate U.S.; Anthony M. Dente, vp-finance; Robert J. Joy, vp-human resources; Robert L. Swinney, vp-operations; Grace E. Richardson, vp-consumer affairs; William R. Peters, vp-legal; Grant L. Wood, president-Softsoap Enterprises; Cyrill Siewert, vp-new business devel & planning.

Marketing personnel: Ralph A. Champlin, vp-sales; Ariel A. Allen, vp-creative svcs; Robert E. Blanchard, vp, genl mgr-home care div; David Bluestein, vp, genl mgr-body care div; Lewis Pauker, genl mgr-laundry care div; Joe Uzzolina, mgr-new business.

Brands/services by agency of record:

Softsoap
Village Bath
Sesame Street
Ajax disposer care

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Terry Gruggen, sr vp-mgmt super.

■

Palmolive dishwashing liquid
Dynamo detergent
Fab 1 Shot
Ajax all-purpose cleaner
Palmolive soap
Dentagard
Curad bandages
Ultra Brite toothpaste
Fluorigard dental rinse
Axion Paste

Ad agency: FCB/Leber Katz Partners, New York: James McConnell, exec vp-worldwide acct; Colleen Gowl, sr vp-group mgmt dir, U.S.; Denny O'Hearn, Patti Albanese, acct dirs.

■

Hispanic adv

Ad agency: Siboney Advertising, New York: Roger Pisani, genl mgr; David Cole, acct super; Maria Bota, acct exec.

■

Colgate dental cream
Colgate Tartar
Control mouthwash
Fresh Start detergent
Irish Spring soap
Colgate toothbrushes
Shave prep
Palmolive automatic dish detergent

Ad agency: Young & Rubicam, New York: Philip Asche, sr vp-worldwide acct dir.; Robert Fane, sr vp-mgmt super, domestic; Garth Anderson, Adrienne Darling, Harry Mosher, category supers.

Hill's Pet Products
Topeka, Kansas

Corporate personnel: Robert C. Wheeler, president; Stephen J. Fogarty, exec vp-mktg & sales; James C. Humphrey, vp-new business devel.

Marketing personnel: David Geier, vp-mktg comm; J.R. Woodall, vp-sales; Ted Freese, dir-brand mgmt; Dr. Elizabeth Hodgkins, mgr-technical affairs; Dr. John Mara, dir-professional affairs.

Brands/services by agency of record:

Prescription Diet

Ad agencies: Harmon Smith Advertising, Kansas City, Mo.: Scott Johnson, acct super.

■

Science Diet

Ad agency: Y&R Wunderman Worldwide, Detroit, Mich.: Mark Zucco, acct super.

Institutional Financing Services
Benicia, Calif.

Corporate personnel: E. Peter Raisbeck, president-ceo.

Marketing personnel: Jim Cascino, exec vp-sales; Michael Takagawa, dir.-mktg.

Brands/services by agency of record:

Institutional Financing Services

Ad agency: Krupp-Taylor USA, San Francisco: Gordon Cawthray, acct rep.

Princess House
North Dighton, Mass.

Corporate personnel: Richard C. Brown, president.

Marketing personnel: John Crowley, vp-sales; Elizabeth Bowes, vp-mktg.

Brands/services by agency of record:

Princess House

Ad agency: Leonard Monahan-Saabye, Providence, R.I.: Cathy Ottavinas, vp.

CPL Industries
Tenafly, N.J.

Corporate personnel: Kenneth E. Snyder, president.

Marketing personnel: Bernard J. Rafferty, vp-sales; Wulf Paulick, vp-mktg.

Brands/services by agency of record:

CPL Industries

Ad agency: H.J. Delaney Co., New York: Patrick Furness, vp-client svcs.

RANK
61

Adolph Coors Co.

Golden, Colo.
ADVERTISING: **$ 144.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	1,351	1,315	2.7
Earnings	48	59	(18.9)
■ Division sales	**1987**	**1986**	**% chg**
Beer business	1,133	1,085	4.5
Ceramics business	134	118	13.4
Other business	83	112	(25.5)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,607	1,486	8.1
Business pub	318	271	17.5
Magazine	1,680	942	78.3
Outdoor	3,041	1,161	162.0
Network TV	54,883	45,857	19.7
Spot TV	23,770	28,186	(15.7)
Network cable	1,284	1,562	(17.8)
Network radio	8	0	NA
Spot radio	10,073	7,637	31.9
Measured	96,664	87,101	11.0
Unmeasured	48,000	44,000	9.1
Total	144,664	131,101	10.3

Adolph Coors Co. has given its advertising a new look in the past 18 months as it expanded into new areas of the country, rolled out new brands and opened a new East Coast packaging plant.

Coors market share for all eight of its brands has inched up to 8.2%, an 0.1 market share point gain, and was the fifth largest brewer behind G. Heileman Brewing Co. (8.5% share), according to 1987 year-end ranking by trade specialists, *Beer Marketer's Insights* and *Modern Brewery Age*. The two breweries are running neck-and-neck this year, with Coors ahead slightly by 200,000 barrels, according to Jerry Steinman, publisher of *Beer Marketer's Insights*.

Coors Original Draft held a 3.8 share of market in 1987 with 7.2 million barrels, down 8.9% in volume from the previous year, said Mr. Steinman, but Coor's Light countered the decline by building a 4.27% share with 7.9 million barrels, up 9.7% in volume.

The company's net sales rose 2.7% in 1987, but competitive price pressure from the two top brewers, Anheuser-Busch (40% share) and Miller Brewing (20.7%), as well as startup expenses for the company's new Shenandoah Brewery near Elkton, Va., reduced net income to $48.1 million, down 18.9% from 1986. Earnings got back on track in the second quarter 1988 when they rose 10.5% over 1987 levels.

Brewing industry growth as a whole is flat. The aging baby boomers are drinking less and the new generation of beer-drinkers (20- to 30-year-olds) has been declining in numbers. In spite of the demographics, Coors boosted its barrelage of all brands in 1987 by 2.8% to 15.66 million barrels sold, one of three major breweries to record an increase. In the first half of 1988, barrelage increased to 7.64 million, up 4.7% over the prior-year period.

Following the industry trend of offering a different brew for every taste, Coors introduced two new brands—Herman Joseph's Light in September 1987 and Turbo 1000, a malt liquor, which began testing this summer in four markets.

As the new kid on the block, Turbo faces a tough challenge against G. Heileman's Colt 45 and Stroh's Schlitz Malt Liquor, which dominate the malt liquor market. TV spots with the tag "Looking for the man with a Turbo in his hand" by Tatham-Laird & Kudner, Chicago, support Turbo in the test markets.

Its 115-year-old Coors brand got a new look and name, Coors Original Draft, manifested by dropping the "Banquet Beer" ribbon on the can and adding "Original Draft" under the Coors name. Can color was changed from buff yellow to almond. A new TV, radio and print campaign by GSD&M of Austin with the tagline "The American Original" was introduced with the name change. Revisions are in production to feature the new packages.

In 1987, the Coors brand was moved from Foote, Cone & Belding to GSD&M of Austin, which previously handled Coors' Hispanic advertising. GSD&M also took over Extra Gold, previously handled by Tatham-Laird & Kudner, Chicago, which now handles Turbo 1000.

FCB still handles Coor's Light, Herman Joseph, HJ Light, Killian's Irish Red Ale and Winterfest as well as all media buying.

Coors Light has replaced its "Silver Bullet Bar" campaign with one featuring the tag "The Right Beer Now" by FCB. In 1987, it also began targeting women with a print campaign featuring women engaged in sports.

With the switch from TLK to GSD&M for Extra Gold, the "No beer's as bold as Coor's Extra Gold" was replaced with a new GSD&M campaign, "Full tilt taste."

Coors remains heavily into sports promotions including: Sugar Ray Leonard Boxing team; Jimmie Huega Free Style Ski Team; Coors International Bicycle Classic; Coors/Motor Craft Thunderbird race car team with Bill Elliott, driver and Silver Bullet stock car.

Coors continues its country-wide expansion started in 1980 when the company abandoned its regional status and crossed the Mississippi for the first time. A big push in the last 18 months into the Northeast partially accounts for increased expenses, but it also boosted sales. Expansion into New York and New Jersey in first quarter 1987 was backed by a $25 million ad budget. Foote, Cone & Belding, Chicago, prepared TV spots for Coors and Coors Light featuring a Coors truck hauling the "Taste of the Rockies" from the brewery at the foothills of the Rocky Mountain to the boroughs of the Big Apple and the Jersey shore. Ethnic markets received special targeting with TV and radio ads aimed at blacks created by Uniworld Group and with TV and radio spots in Spanish created by Austin-based GSD&M.

Although industry analysts predicted Coors would encounter resistance in these union strongholds because of past labor relations problems, demand in the market accounted for most of the volume gains in 1987 and offset declines in Texas and California. The timing of the AFL-CIO's decision in August 1987 to call off a Coors boycott may have helped. Coors agreed not to resist unionization.

Beer business analyst John Collopy, of the Milwaukee brokerage firm Cleary, Gul, Reiland, McDevitt & Collopy, suggests the novelty of Coors in the northeastern states may wear off. New entries "usually lose some of that initial thrust," Collopy said, noting "it's too early to tell what those markets are going to be in the long run for Coors."

Entry into Pennsylvania and Delaware this year almost completes the country-wide expansion. Only Indiana remains unconquered because of its law prohibiting beers that require refrigerated storage.

Coors also expanded distribution of Extra Gold, a heavier beer introduced in 1985-86, to all markets and the demand has outpaced supply, according to the company. "They're (Coors) meeting the trend in the industry which right now is extreme segmentation," said Mr. Collopy. All brands in the Coors line are now available nationwide including a holiday brew, Winterfest, sold from Thanksgiving to New Year's.

Coors began testing this summer a new mini-keg package, Coor's Party Ball, in eight cities.

In April 1987, the company entered the Japanese market in a licensing agreement with Asahi Breweries Ltd., and is second only to Anheuser-Busch for American imports there. Sales have exceeded production capacity at Asahi Breweries requiring Coors to airlift its product to Japan this summer.

Joe Coors, who had worked for 41 years with the company his grandfather founded, retired from day-to-day operations in 1987 but will remain as vice chairman of the board. His brother, Bill Coors, continues as chairman. Coors also hired Steve Ritter as manager of brand development, a new marketing slot.

ADOLPH COORS CO.
Golden, Colo. 80401
(303) 279-6565

Marketing personnel: Bob Rechholtz, exec vp-sales & mktg; Gary T. Naifeh, vp-brand mgmt; Robert Fox, dir-Coors, Coors Extra Gold; June Smith, dir-Coors Light; Robert McBride, brand mgr-Coors Light; Gary Skovsted, brand mgr-Coors Extra Gold; Betsy Ross Krieg, brand mgr-Herman Joseph's Original Draft; George Mansfield, brand mgr-George Killian's Irish Red Ale; Craig Guthrie, mgr-new prods; Mark Reiss, dir-media, field mktg; Michael Marranzino, dir-sales & mktg operations; Cully Marshall, mgr-field mktg; Bob Hobbs, mgr-mktg svcs; Mark Stankovic, mgr-intl mktg; Steve Ritter, mgr-brand devel.
Brands/services by agency of record:

Corp community relations

Ad agency: Evans/Bartholomew Pollock Norman, Denver: Charles Bartholomew, president-acct super; Susie Davis, acct coord.

■

Coors Light
George Killian's Irish Red Ale
Herman Joseph's Original Draft

Ad agency: Foote, Cone & Belding, Chicago: Bill Melzner, sr vp-group acct dir; Kent Vlautin, vp-assoc media dir; Dave Moeller, sr vp-creative dir; Bob Simon, vp-group creative dir.

■

Coors
Coors Extra Gold

Ad agency: GSD&M, Austin, Texas: Roy Spence, president; Chuck Grady, sr vp-acct exec; Raoul Rodriguez, vp-Hispanic svcs, Coors; Gary Brahl, Jim Anderson, sr creative dirs; Hank Olguin, public affairs dir.

■

Turbo 1000

Ad agency: Tatham-Laird & Kudner, Chicago: Rawdon Parry, sr partner; Dick Salyer, mgmt super; Tom Blim, acct exec; Carrie McCarthy, asst acct exec.

■

Black mkts ads

Ad agency: UniWorld Group, New York: Ron Campbell, vp-mng super; Bill Allen, sr vp-creative svcs; Valerie Graves, vp-creative group head; Phil Costa, Aaron Bell, vps-assoc creative dirs.

RANK
71
Cosmair Inc.
New York
ADVERTISING **$ 117.2** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	750	725	3.4

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	859	835	2.9
Business pub	14	NA	NA
Magazine	31,561	24,468	29.0
Newsp supp	990	873	13.5
Outdoor	2	0	NA
Network TV	28,797	37,293	(22.8)
Spot TV	13,832	14,830	(6.7)
Network cable	0	1,021	NA
Network radio	356	0	NA
Spot radio	813	381	113.7
Measured	77,224	79,701	(3.1)
Unmeasured	40,000	41,000	(2.4)
Total	117,224	120,701	(2.9)

Cosmair, embattled by a flood of new products from competitors on the low end of the market, experienced marginal sales increases for its L'Oreal line that kept a lid on overall sales growth in 1987.

Its high-end business, Lancome beauty lines, traveled much better as sales rose about 13%, according to industry sources. Perhaps reflecting some of this sales movement, ad spending patterns showed measured media advertising for the mass-market L'Oreal cut by 4% to $31.6 million, but increased by 4% to $13.4 million for Lancome—the net effect producing an overall reduction in advertising of 3.3% by the company.

While Cosmair pared its ad spending, two of its biggest competitors raised theirs—Noxell by 21% and Revlon by 3.4%.

Cosmair is fighting the competition with a steady flow of new products of its own. Lancome plans to market Forte-Vital Serum, a facial skin-firmer, later this year. Earlier in 1988, it introduced Teinte Majeur, a cream compact and Poudre Majeur, a loose powder makeup, both with "microbubbles," to lend the products smoother texture, said Joan Lasker, VP public relations, Lancome. Both products are performing strongly in the marketplace, according to industry consultant Suzanne Grayson of *Grayson Reports*. Lancome in October plans to extend the Majeur line with Blush Majeur, a cream blush.

This February Cosmair began U.S. marketing of Biologics 30, 40, 50, a skincare treatment for different age groups, marketed throught its Biotherm division. It is selling well, according to Ms. Grayson. Biotherm also is planning to launch Tonicite firming eye cream and Bio-Cils eye makeup remover this September.

Biotherm began marketing in April a product to battle body cellulite—Creme Contour Chauffante 10 Jours (10 day thermo-active body contouring treatment).

On the L'Oreal side, Plenitude will enter U.S. test market in Dallas this September. Plenitude is a European skincare line that includes five cleansing care products and four skincare creams for round-the-clock use.

Results for L'Oreal haircare products, traditionally one of Cosmair's most successful divisions, were mixed in 1987. Preference hair color again turned in a solid performance but Avantage, a newer hair coloring, was being blamed for food store market share dip as overall L'Oreal share dropped to 26% from 26.6% in 1986.

Cosmair's single largest ad budget for one product went to Preference with $10.6 million in measured media support, 84% of which was spent on network TV, according to BAR/LNA. Preference ranks first in the $760 million hair-coloring market where total market volume grew 8% in 1987, according to industry estimates. Clairol's Nice 'N Easy and Miss Clairol ranked second and third, respectively. Clairol remains the overall leader in food stores with a combined 68.2% share, according to Diana Temple, analyst at Solomon Brothers.

Cybill Shepard is entering her third year of endorsing Preference, which will get four new colors in February: light golden topaz, light golden reddish topaz, light topaz red and jet black.

L'Oreal's six Studio Line products also continued to grow. Because of the Studio Line success, Cosmair has launched four new products under the label: Mega Spritz, a non-aerosol hard holding spritz, Soft Sculpting Lotion, an aerosol Fixing Spray and Mega Fixing Spray, a maximum-hold aerosol. There are now 10 products in the Studio Line.

Sales of L'Oreal cosmetics, particularly lipstick and nail enamel, have dropped almost $15 million in dollar volume, say industry sources. L'Oreal's own problems may be related more to packaging than price. Sources say L'Oreal is trying to go toward a "whiter" look in packaging to better accent its cosmetics colors.

Lash-Out, a new mascara product launched in August 1987, is packaged in such a manner and is performing strongly, according to both industry and company execs. The product has received the bulk of TV and print support out of L'Oreal's budget for new cosmetics products, which includes Glossique, a new gloss product, which is doing well even though no ad dollars have been spent on it.

In 1987, Cosmair integrated its retail fragrance division into L'Oreal's cosmetics division, combining the marketing staff as well.

In Cosmair's designer fragrance division, 2-year-old Drakkar Noir men's cologne increased sales 100% to $40 million in the past 12 months, industry sources say, capturing fourth place in the Goldman-Sachs department and specialty store buyer survey. Total measured media spending for this product was $4 million, three-fourths of it in spot TV, according to BAR/LNA.

Chaps, marketed under the Ralph Lauren name, held onto its 7.5% market share. It drew $2.4 million in measured ad support, mostly on network TV. Cosmair's Polo ranked first in a recent Goldman-Sachs department store survey, aided by $3.1 million in ad expenditures, mostly spot TV, notes BAR/LNA.

But Cosmair's women's fragrances have not been as strong as the men's lines. Cosmair's new women's fragrance, Cacharel's Lulu, is expected to hit strong sales of nearly $20 million in 1988, but its Vanderbilt brand is being slightly cannibalized by the spinoff called Glorious launched in 1987 and backed with $7.1 million in ad spending.

The new women's fragrance from Ralph Lauren, Notorious, will appear finally in the spring of 1989. The fragrance originally had been scheduled for an early 1988 release.

In media spending, magazines showed the largest increase—28.8% to $31 million—and basically represented a budgetal swing from network TV, which drew $28.8 million, down 22.8% from 1986.

Cosmair is a privately-held French company, with 62% of its stock owned by Nestle SA and the remainder held by L'Oreal interests.

COSMAIR INC.
575 Fifth Ave.
New York, N.Y. 10017
(212) 818-1500

Corporate personnel: Jacques Correze, chmn; Guy Peyrelongue, president-ceo; Michel Somnolet, exec vp & coo; James Nixon, Joseph Augeri, exec vps; Roy Benjamin, president, retail div.

L'Oreal Hair Care Division

Marketing personnel: Joseph Campinell, vp, genl mgr; Carol Hamilton, vp-mktg; Carroll Vanik, vp-sales.
Brands/services by agency or record:

L'Oreal hair care prods

Ad agency: McCann-Erickson, New York: David Weiss, sr vp-group dir; Jeanne Davidson, vp-acct super.

L'Oreal Cosmetic and Fragrance Division

Marketing personnel: Beatrice Dautresme, vp, deputy genl mgr; Joe Lamia, vp-sales; Amy Frankel, asst vp-cosmetic mktg; Ron Rolleston, asst vp-fragrance mktg.
Brands/services by agency of record:

L'Oreal cosmetics
Vanderbilt, Glorious fragrances
Vanderbilt, Glorious cosmetics

Ad agency: McCann-Erickson, New York: David Weiss, sr vp-group dir; Linda Joselow, sr vp-mgmt rep, L'Oreal; Robin Fry, sr vp-mgmt rep, Vanderbilt & Glorious.

■

Chaps

Ad agency: Image Group, (Wells, Rich, Greene), New York: Chris Hansen, exec vp-group head; Roberta Mell, mgmt super; Julie Treacy, acct super; Michelle Montrone, asst acct exec.

Lancome Division

Marketing personnel: Simon Critchell, sr vp, genl mgr; Robert Fernandez, vp-sales; Tony Michaels, vp-mktg & adv.
Brands/services by agency of record:

Lancome prods

Ad agency: Publicis Inc., New York: Fred Rhines, president; Anne Lacombe, acct exec.

Designer Fragrance Division

Marketing personnel: John R. Wendt, sr vp-genl mgr; Jane Terker, vp-mktg; Camille McDonald, vp-mktg, Ralph Lauren fragrances; David Calkins, dir-mktg, Polo; Beth Ledy, dir-mktg, Lauren; Susan Fried, dir-mktg, Anais Anais; Vicky Nielson, dir-mktg, Loulou; Betsy Schaper, dir-mktg, Paloma Picasso; Dallas Haden, dir-mktg, Drakkar Noir, Giorgio Armani.
Brands/services by agency of record:

Polo
Lauren

Ad agency: Image Group, (Wells, Rich, Greene), New York: Chris Hansen, exec vp-group head; Sandy Carlsen, exec vp-creative; Roberta Mell, mgmt super; Julie Treacy, acct super.

■

Paloma Picasso
Anais Anais
Loulou
Giorgio Armani fragrances
Drakkar Noir

Ad agency: McCann-Erickson, New York: David Weiss, sr vp-group dir; Robin Fry, sr vp-mgmt rep; David Edwards, acct super; Natalie Moore, acct exec; Victoria Harper, asst acct exec.

Biotherm Division

Marketing personnel: Margaret Sharkey, vp, genl mgr; Ben Gillikin, vp-sales.
Brand/services by agency of record:

Biotherm prods

Ad agency: McCann-Erickson, New York: Phyllis Califano, vp-acct super.

L'Oreal Professional Division

Marketing personnel: Ray Mager, sr vp, genl mgr; Claire Bruno, vp-mktg & adv.
Brands/services by agency of record:

L'Oreal professional salon prods
Keralogie, L'Oreal Paris prods

Ad agency: (In-house) Claire Bruno, vp-mktg & adv.

RANK
72
CPC International
Englewood Cliffs, N.J.
ADVERTISING **$ 115.3** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	4,903	4,549	7.8
Earnings	355	219	62.1
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1,600	1,680	(4.8)
■ *Division sales*	*1987*	*1986*	*% chg*
Grocery prods	3,317	2,772	19.7
Corn refining	1,586	1,671	(5.1)

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	703	857	(18.0)
Business pub	1,724	1,432	20.4
Magazine	6,928	11,309	(38.7)
Newsp supp	265	321	(17.3)
Outdoor	812	162	400.9
Network TV	13,480	15,976	(15.6)
Spot TV	18,302	13,781	32.8
Network cable	2	67	(97.0)
Network radio	54	0	NA
Spot radio	2,059	2,842	(27.6)
Measured	44,329	46,747	(5.2)
Unmeasured	71,000	75,000	(5.3)
Total	115,329	121,747	(5.3)

CPC International's restructuring program begun in 1986 continued through 1987, aimed at expanding its consumer foods business, increasing the domestic portion of total revenues, realigning its organizational framework and repositioning its corn refining operations. In the process, CPC cut domestic ad spending.

CPC's newest success story is Hellmann's and Best Foods reduced-calorie mayonnaise that rolled out nationwide in January 1987 and ranking among the top five new supermarket products for the year, according to CPC's annual report.

Company officials say the low-calorie products helped CPC's total mayonnaise business gain 7% in volume and three share points. Hellmann's currently holds its highest-ever share, 50%, according to John McMillin, an analyst with Prudential Bache Securities. Following is Kraft at 24%, although Kraft commands 53% of the sandwich spread category and 92% of spoonable salad dressing. Combined with corn oil, CPC mayonnaise had $820 million in sales for 1987, up 11%.

Altogether for CPC, consumer foods sales increased 21%, contributing 82% of worldwide sales from continuing operations, up from 62% before restructuring. The domestic portion of worldwide revenues grew from 37% to 46%.

Corporate reorganization included consolidation of CPC's North American, European, Latin American and Asian food businesses into one entity: Worldwide Consumer Foods. Its creation signals an increased commitment to advertising and marketing and brings sales-leader Knorr, centered mainly in Europe, under U.S. stewardship.

CPC's worldwide corn refining business was substantially reduced through divestiture of European operations that had contributed nearly a billion dollars in sales.

Sales of baking products and pasta doubled to $530 million, and volumes increased 89%. Contributing to the gain were the recent acquisitions of the Arnold and Old London specialty baking businesses and volume growth of 4.4% in Thomas' English muffins. Thomas', the country's No. 1 English muffin, had its greatest growth in a decade, stemming mainly from a three-year geographic expansion, making the brand now available in 70% of U.S. households.

Mueller's, the largest single pasta brand in the U.S., holds a 15% share; approximately the same as last year. CPC brought to market this year its Chef Series, a new pasta main dish offering. Hershey's six brands account for 17% of the market. Borden pushed way ahead of the rest with its purchase of The Prince Co. that increased its share from 9% to 31%.

Mazola Corn Oil dropped from a 17% share of the vegetable oil market to its present 16%. Other leading brands also declined in this competitive market. Last year's No. 1, Procter & Gamble's Crisco, fell from 22% to 18.3%, and Beatrice Cos.' Hunt-Wesson Foods' Wesson oil went from 21% to 18.6%. Mazola Light Spread, a reduced-calorie margarine, was introduced in 1988.

Worldwide volumes of bread spreads were 10% lower, although sales increased 1%. The volume decrease resulted primarily from a 30%-plus rise in peanut costs that led to higher consumer prices and a negative effect on the entire peanut butter category. Skippy increased its share from 22% to 23%, however, P&G's Jif boasts a 29% share and Beatrice's Peter Pan 15%.

Knorr soups, sauces, bouillons and seasonings were the company's largest-selling product group. Worldwide sales rose 23% to approximately $930 million, with new products, broader distribution and changes in product mix all contributing. Volumes increased 7%.

Total measured advertising for CPC in 11 monitored media declined 5.2% to $44.3 million, with magazine expenditures receiving the largest percentage decrease of 38.7% to $6.9 million. Spot TV, however, increased 32.8% to $18.3 million.

The greatest jump in ad expenditures was for Mueller's Salad Bar Pasta Mixes, introduced in 1986, which catapulted from a mere $178,900 to almost $6.4 million. Still-new Hellmann's Light underwent much heavier advertising as well, up from $765,600 to $3.9 million. Spending on Hellmann's regular mayonnaise fell 14.8% to $7.1 million. The Mueller's increase was concentrated on spot TV; Hellmann's Light on network TV. CPC was one of the top 24 spenders on ABC's Winter Olympics, with a $5 million total.

CPC purchased six food companies last year and early 1988: two in the United Kingdom—Napolina (Italian foods) and Garrick Foods (flavors and seasonings); Ubena Co. in Germany (spices and herbs); Nutrial SA in France (beverage powders, desserts and cereals); Sansoned in Colombia (seasonings, spices and food colorings); and San-Co in Brazil (packaged enriched and flavored corn starch).

Additional divestitures included the Peterson/Puritan packaging business, the remainder of Penick Corp. (producer of specialty chemicals). Ajinomoto, CPC's joint venture partner in Japan, became the joint venture partner in wholly-owned subsidiaries in six Asian countries, while 50% equity positions in joint ventures in Japan and Australia were sold.

CPC INTERNATIONAL
International Plaza
Englewood Cliffs, N.J. 07632
(201) 894-4000

Best Foods
Englewood Cliffs, N.J.

Corporate personnel: Robert J. Gillespie, president.
Marketing personnel: Jan A. van Amerongen, vp-mktg svcs; Stanley M. Hakmiller, vp-sales; Joan S. Dargery, Malcolm Fletcher, vps, business unit dirs; Sue B. Huffman, dir-consumer affairs; Robert T. Viscardi, media dir; Aaron Strauss, dir-info & mktg rsch.
Brands/services by agency of record:

Mazola corn oil

Ad agency: Bravo Group, New York: Daisy Exposito, sr vp.

■

Hellmann's/Best Foods mayonnaise

Ad agency: Saatchi & Saatchi DFS Compton, New York: John Kaiser, mgmt dir; David Srere, mgmt super; Mitch Roberts, acct super; Vicki

Which companies spend the most in newspapers?
Turn to LNA for answers.
See page 151

Seiden, Chuck Hirsch, Stuart Westland Peter Schwartz, acct execs.

■

Hellmann's/Best Foods mayonnaise-
Hispanic adv

Ad agency: Conill Advertising, New York: Liz Castells, vp.

■

New prods

Ad agency: Drossman, Lehmann, Marino, New York: Neil Drossman, Charles Lehmann, Domenick Marino, partners.

■

Mazola corn oil

Ad agency: Medicus Intercon, New York: Dorian Slater, acct super.

■

Mueller's pasta prods
New prods
Salad Bar pasta

Ad agency: Ogilvy & Mather, New York: Cliff Angers, acct group dir; Karen Green, mgmt super; Ben Kline, Sue Bolle, acct execs.

■

Argo corn starch
Golden Griddle syrup
Karo syrups
Mazola corn oil
Mazola margarine
Skippy peanut butter

Ad agency: Saatchi & Saatchi DFS Compton, New York: John Kaiser, mgmt dir; David Srere, mgmt super; Mitch Roberts, acct super; Vicki Seiden, Chuck Hirsch, Stuart Westland Peter Schwartz, acct execs.

Best Foods Baking Group

Corporate personnel: Robert B. Snyder, president

Marketing personnel: Donald Berman, vp-business mgmt

Brands/services by agency of record:

Arnold bread, rolls
Arnold croutons & stuffing
Brownberry breads
Devonsheer Melba prods
Old London Melba prods

Ad agency: North Castle Partners, Greenwich, Conn.: Kyle Wilcox, acct super.

■

Thomas' English Muffins

Ad agency: Young & Rubicam, New York: John Swan, mgmt super.

CPC Food service
Englewood Cliffs, N.J.

Corporate personnel: Albert A. Witz, president

Marketing personnel: Robert J. Nemec, vp-mktg & sales; Steve Moore, dir-sales training & manpower devel; Mike Taylor, sr production mgr; Donna Micali, production mgr

Brands/services by agency of record:

Argo
Hellmann's/Best Foods mayonaise
Karo
Knorr prods
Mazola oil
Skippy peanut butter
Thomas' English Muffins

Ad agency: Sirey-Schulkin, Maloney, New York: William Schulkin, Charles Sirey, Joanne Maloney, acct execs.

Knorr Special Products

Corporate personnel: Nina Z. Henderson, president

Marketing personnel: Bruce Hillenbrand, mktg dir; Charles Lloyd, production mgr.

Brands/services by agency of record:

Knorr bouillons

Ad agency: Font & Vaamonde Associates, New York: Pedro Font, president.

■

Knorr soups, sauces, bouillons
Rit Dye

Ad agency: Warwick Advertising, New York: Wilder Baker, vp; B. Mary Penrose, mgmt super; Laura Backe, acct exec.

RANK
84

Daimler-Benz AG

Stuttgart, W. Germany
ADVERTISING: **$ 105.0** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	37,540	30,160	24.5
Earnings	99	81	21.7
■ *U.S.*	*1987*	*1986*	*% chg*
Operating income	41	54	(24.2)

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	28,415	23,340	21.7
Business pub	1,266	1,458	(13.2)
Magazine	13,025	1,412	822.4
Newsp supp	164	102	60.5
Outdoor	10	84	(88.7)
Network TV	19,546	25,183	(22.4)
Spot TV	7,435	3,424	117.1
Network cable	529	153	245.7
Spot radio	7,629	3,542	115.4
Measured	78,018	58,697	32.9
Unmeasured	27,000	21,000	28.6
Total	105,018	79,697	31.8

Mercedes-Benz of North America, the U.S. auto sales and distribution subsidiary of Daimler-Benz AG, fought rising prices, stiffer competition and sagging demand in its key market segment in 1987, as its car sales tumbled for the first time in eight years.

The importer faced increasing competition from the likes of BMW, Jaguar and Cadillac in the ultra-luxury segment which accounts for 80% of its sales just at a time when this segment was contracting and a strong deutschmark was driving up the price of its products.

As a result, its U.S. retail car sales declined by 9.5% in 1987 to 89,918 units.

Officials, pointing to a continued contraction in the ultra-luxury segment in 1988, anticipated a further sales falloff into the 80-85,000 unit range.

In line with declining car demand, net income also fell for Daimler-Benz of North America Holding, New York, including Mercedes-Benz of North America in Montvale, N.J., Mercedes-Benz Credit in Norwalk, Conn., Freightliner in Portland, Ore., and two company-owned retail dealerships, Mercedes-Benz Manhattan and Mercedes Hollywood.

The North American holding company alone reported net income of $41 million, down from $54.1 million in 1986. Worldwide, Daimler-Benz AG fared much better, with production of its Mercedes passenger cars climbing to 598,079 in 1987 from 594,080 the previous year. On the financial side, much of D-B's growth was exchange rate-related. Total growth in revenues of 24.5% was influenced heavily by the deutschmark's 17.3% growth against the dollar. Average annual rates of exchange used in this profile were DM1 = $0.5564 in 1987 and DM1 = $0.4605 in 1986.

Mercedes-Benz successfully completed a major task last year of converting its traditional diesel engine car buyers to the new gasoline engine models that it was forced to shuffle its lineup in order to to comply with stiff federal emissions regulations.

As part of its product revamping, it brought out the 300 SE which marked its return to standard wheelbase models in the S-Class series. This series includes its big sedans. Previously, they were all built on the SEL long wheelbase chassis.

Still, Mercedes faced stiffer competition, particularly from BMW which took a strong run at the Mercedes traditional stronghold market with a new $67,000 750i model and its $53,000 735i.

To fight off such incursions, Mercedes increased its advertising/marketing efforts, most notably with a new dealer marketing support program launched in April of last year.

Under this co-op program, the company and its dealers each contribute $100 per car for local and regional advertising/marketing support.

The program, successful enough to spawn imitation by some competitors, at this point involves mostly newspaper and radio advertising and some TV in the bigger designated marketing areas. Mercedes is now on the verge of expanding the program into direct marketing.

Typically, the dealer marketing groups make the choices and spend the money; but the company, in conjunction with its agency, McCaffrey & McCall, advises them on a course of action designed to provide consistency with its national efforts.

The new co-op effort was all incremental spending. In fact, Mercedes increased its regular national budget as well while introducing the various gasoline engine and other special models, like the 300 SE. The overall effect was a sharp 31.8% increase in the company's ad expenditures to $105 million.

Magazines, where spending jumped to $13 million from a token $1.4 million the previous year, reaped the biggest benefit of this increase, according to BAR/LNA.

However, newspapers, also scoring an extremely strong 21.7% gain, dominated all the company's other media categories with expenditures of $28.4 million, according to Media Records.

Meanwhile, Mercedes trimmed its network TV by a sharp 22.4% and hiked spot by 117.1%.

Newspaper supplements' spending was up 60.5%. Business publication outlays were off 13.2% and outdoor advertising declined precipitously to a negligible level.

Daimler-Benz, which is on a major diversification plan, named Edzard Reuter its new board chairman last year. He was a key figure in the company's successful shift into electronics and aerospace.

He replaced Werner Breitschwerdt who resigned almost two years before his contract was due to expire. Mr. Breitschwerdt, an engineer, provided key leadership during the growth as an auto/truck manufacturer, but was regarded as experienced in the consumer and industrial product markets the company has mapped out for its expansion.

DAIMLER-BENZ AG
Postfach 60 02 02
D-7000 Stuttgart 60
West Germany

Mercedes-Benz
of North America
One Mercedes Drive
Montvale, N.J. 07645
(201) 573-0600

Corporate personnel: Erich Krampe, president-ceo

Marketing personnel: Hans Jordan, sr vp-mktg; Albert Weiss, genl mgr-mktg comm, adv dept; Kevin Davidson, adv mgr.

Brands/services by agency of record:

Mercedes-Benz automobiles
Dealer co-op

Ad agency: McCaffrey & McCall, New York: William Metzger, exec vp-acct mgmt.

RANK
80

Delta Air Lines

Atlanta
ADVERTISING: **$ 108.6** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1988*	*1987*	*% chg*
Sales	6,915	5,318	30.0
Earnings	306.8	263.7	16.0
■ *Division sales*	*1988*	*1987*	*% chg*
Passenger	6,443	4,922	30.9
Cargo	350	280	25.0
Other	122	116	5.2

U.S. advertising by media
($ in thousands)

■ *Media*	*1988*	*1987*	*% chg*
Newspaper	22,011	22,309	(1.3)
Business pub	1,325	949	39.6
Magazine	1,092	1,228	(11.1)
Outdoor	1,360	1,779	(23.5)
Network TV	14,030	3,754	273.7
Spot TV	12,901	16,882	(23.6)
Network cable	3,245	4,448	(27.0)
Spot radio	19,671	21,708	(9.4)
Measured	75,636	73,055	3.5
Unmeasured	33,000	32,000	3.1
Total	108,636	105,056	3.4

Atlanta-based Delta Air Lines is flying high on a stronger route structure following its December 1986 acquisition of Western Airlines, higher fares, lower costs and disarray at Eastern Air Lines, its principal competitor.

The Western acquisition and internal growth made Delta the nation's third largest air carrier in 1987 in terms of revenue passenger miles (RPM) with a 13.4% share, compared with 17.5% for No. 1 United Airlines and 15.1% for No. 2 American Airlines, according to an analysis by PaineWebber. RPM is a standard measure of the revenue gained by carrying one paying passenger one mile.

The addition of Western accounted for much of the 30% jump in operating revenues to $6.9 billion for the fiscal year ending June 30, 1988, but Delta also cited contributing factors such as the carrier's expanded hub in Cincinnati and the addition of Atlantic and Pacific routes, including Dublin in June 1988, Taipai in the fall 1988, Seoul and Tokyo in the fall 1987. International revenues grew by 78% and accounted for 9.2% of Delta's total operating revenues in 1987.

Delta's measured spending in 1987 rose to $75.6 million, up 3.5% over 1986. Increased spending in 1987 was attributed mainly to promote new markets and programs, not for retail fare-related spending, said Judy Jordan, Delta's director of advertising and sales promotion.

"There is a greater emphasis on brand image and promotion at Delta. We're focusing on the thing that differentiates our product, which is our people," she said.

As part of this brand-oriented strategy, network TV spending jumped 274% in 1987 to $14 million, compared with combined network TV spending for both Western and Delta in 1986. A portion of the network increase in 1987 came from budgets for spot TV, which fell 24% to $12.9 million in 1987. In the spring 1988, Delta launched five new executions of its campaign: "We Love to Fly and it Shows." The campaign, launched in September 1987, replaced "Delta Gets You There With Care."

The $787 million buyout of Los Angeles-based Western gave Delta immediate presence in virtually all sections of the U.S. in which it lacked a substantial presence. Specifically, the April 1, 1987 merger of operations added 44 cities to Delta's route system, including important markets in Alaska, Hawaii, western Canada and Mexico, and gave Delta size and strength in the western and northwestern U.S., in addition to providing new hubs at Salt Lake City and Los Angeles.

The merger positioned Delta for a variety of new marketing thrusts. It enabled Delta to win status as the official carrier of Anaheim, Calif.-based Disneyland in June 1988. Delta also became the official carrier for Orlando, Fla.-based Disney World on July 1, 1987. It is believed to have paid upwards of $40 million for the right to become official carrier of Disney World, replacing Eastern Airlines, which held the contract for 15 years. Such a designation enables Delta to hold joint promotions with Disney, offer travel packages with rooms in Disney hotels and build attractions inside Disney theme parks.

Delta has been gearing up to build market share in Orlando with $7 million in terminal improvements and the addition of flights. In June 1988, Delta began service between Orlando and Frankfurt, West Germany. The carrier is promoting its Disney connection heavily in European gateway markets.

Eastern still is largest in Orlando, the world's No. 1 vacation destination used by 12.3 million passengers in 1987. Eastern had 23% market share in 1987, down from 25% in 1986. Delta was the No. 2 carrier in 1987, with 17%, about even with 1986.

Despite the outlay for Western, Delta is the strongest airline financially in the U.S., according to a June 1988 report by Salomon Brothers, New York.

Other analysts agree. "The amazing thing is that Delta essentially has no outstanding debt," says Paul Karos, airline analyst with First Boston Corp., New York. "It's unbelievable, especially when you consider it made a major acquisition just over a year ago."

DELTA AIR LINES
Hartsfield Intl Airport
Atlanta, Ga. 30320
(404) 765-2600

Marketing personnel: W. Whitley Hawkins, sr vp-mktg; R.W. (Bob) Coggin, asst vp-mktg devel; Al H. Kolakowski, asst vp-sales; Marcey McCann, asst vp-reservations sales; Matt Guilfoyle, dir-consumer mktg; Harry Dunham, dir-industry programs; John Such, dir-mktg automation, Keith Anderson, dir-mktg automation & support; Judy Jordan, dir-adv & sales promo; Sandy Rowan, mgr-adv.

Brands/services by agency of record:

Delta Air Lines

Ad agency: BDA/BBDO, Atlanta: Don Mitchum, president; Jack Walz, exec vp-mgmt super; Jim Garrison, Peter Shelton, sr vps-mgmt super; Mike DiPrima, vp-acct super; Bill Cromartie, vp-mgr, broadcast; Chris Kean, acct super; Marina Costarides, Ann Dillard, Diane Richardson, acct execs.

RANK
36

Walt Disney Co.

Burbank, Calif
ADVERTISING: **$ 249.8** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2,877	2,166	32.8
Earnings	445	247	79.8
■ *Division sales*	*1987*	*1986*	*% chg*
Theme parks	1,834	1,524	20.3
Film	876	512	71.1
Community devel	167	130	28.5

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	5,040	3,835	31.4
Business pub	1,184	1,443	(18.0)
Magazine	7,978	6,665	19.7
Newsp supp	175	98	78.6
Outdoor	277	184	50.7
Network TV	19,326	10,515	83.8
Spot TV	54,402	42,684	27.5
Network cable	1,672	965	73.3
Spot radio	14,770	2,537	482.2
Measured	104,823	68,925	52.1
Unmeasured	145,000	95,000	52.6
Total	249,823	163,925	52.4

With the hit movies "Three Men and a Baby" and "Good Morning, Vietnam" generating more than $100 million in sales, as well as "Who Framed Roger Rabbit" packing in summer movie-goers, Walt Disney Co. is having another record year.

Sales and net income for the company's third quarter and the nine months which ended June 30 are the highest in the company's history. Third quarter sales were $915.7 million, up 21.9% from the previous year, and income was $165 million, a 28.5% increase. Nine-month totals show sales of $2.44 billion, up 15.3%, and income of $385.6 million, up 24.6%.

The company also broke all previous records in 1987, as Disney repositioned itself to concentrate on its three core divisions—theme parks and resorts filmed entertainment and consumer products.

It sold real estate development division, Florida-based Arvida Disney Corp., to JMB Realty Corp., Chicago, for approximately $400 million, and agreed to purchase its first TV station, KHJ-TV in Los Angeles, for $320 million from RKO General Inc. The FCC approved the sale in July and Disney expects to take over management of the station in December, says Erwin Okun, VP-corporate communications.

In October Disney switched its advertising from Young & Rubicam, New York, to Los Angeles-based Western Media International.

Disney's theme parks and resorts—Disneyland in California, Walt Disney World and Epcot Center in Florida, and Tokyo Disneyland—showed a 20% growth in revenues and a 36% growth in operating income.

Attendance increased 9% at Disney's U.S. theme parks, which matched the industry average, according to the International Association of Amusement Parks and Attractions, Alexandria, Va. Buoyed by a year-long, heavily advertised 15th anniversary celebration, Walt Disney World showed an 11% increase. Attendance rose 7% at Disneyland.

Advertising spending for the theme parks totaled $27.9 million, or 33.2%, of Disney's $83.8 million in seven-media BAR/LNA totals, an increase of 5.7% over 1986. Disney World and Epcot Center garnered $18.4 million and $9.5 million went to Disneyland.

The $2 billion Euro Disneyland a 4,800-acre park located 20 miles east of Paris, is slated for 1992 completion. This summer TV production began at the new Disney-MGM Studios at Disney World; a studio tour is scheduled to open in 1989.

Disney's filmed entertainment division showed a 71% growth in revenues and a whopping 153% increase in operating income. Disney profited from a string of box office successes, including the 50th anniversary re-issue of "Snow White and the Seven Dwarfs," which grossed $46 million, and two Touchstone Pictures releases, "Outrageous Fortune" ($53 million), and "Stakeout" ($64 million as of November 1987). The division's strong performance also was due to higher revenues from domestic television and home video, and growth in subscribers to The Disney Channel.

Disney Productions ranked second in market share, with 14% (behind Paramount's 20%), up from a 10% third place share.

Measured advertising for films totaled $38.4 million, up 64% from 1986, with the heaviest concentration in spot TV, notes BAR/LNA. The jump in spending reflects two more new releases than in 1986, as well as heavier advertising for "Snow White"—$4 million in measured spending—than Disney usually allocates to animated re-releases. Mr. Okun says Disney plans to release 14 to 18 films this year. Disney-Buena Vista ranked second among motion picture companies in North American theatrical film rentals. Paramount led the group with 20%. Warner Bros. kept the heat on Disney with a 13% share.

Disney moved to second in the home video market. A Christmas 1987 campaign, built around "Lady and the Tramp," broke industry records, resulting in seven million unit sales, including three million of "Lady" alone. Measured ad spending for home video totaled $7 million, up 59%.

"The Golden Girls," airing on NBC, continued to be the jewel in Disney's network TV crown, garnering Emmy Awards for best comedy series and best actress in a comedy series for the second straight year. Disney's 1987 network TV offerings also included "The Disney Sunday Movie" on ABC and "The Adventures of the Gummi Bears" on CBS.

Disney's Buena Vista TV, a New York syndication subsidiary, is scoring a hit with its original programming. "DuckTales," an animated children's program, was the highest rated syndicated children's animated series as of November. Buena Vista also syndicates "Win, Lose, or Draw" and "Siskel and Ebert." In the area of existing programming, Buena Vista is distributing "Wonderful World of Disney" and two movie packages, and has announced plans to take "Live with Regis and Kathie Lee," a top talk show on WABC-TV, New York, to a national audience. Buena Vista's $50 million budget for 1988 also will go toward syndicating "The Golden Girls."

The Disney Channel achieved a 25% increase in subscribership to 3.8 million.

Revenues for Disney's third division, Consumer Products, went up 29% and operating income went up 34%. Licensing, which covers 50 countries, jumped from 1,600 licenses making 8,000 products to 3,000 licenses and 14,000 products.

In 1987, Disney took a number of steps to expand its Consumer Products activities. The company opened its first three retail stores (outside of its theme parks) in Glendale, San Francisco and Costa Mesa, all in California and plans to open at least six more this year. Disney signed a wide-ranging alliance with Chicago-based Sears, Roebuck and Co.'s Merchandise Group, including development of Sears/Disney products; and also signed a worldwide licensing agreement with Mattel, Inc.

Some 2.8 million copies of the 24-page, 200-item Walt Disney Family Gift Catalog were mailed in 1987, up 87% from the previous year. Disney plans to mail over eight million copies this year.

WALT DISNEY CO.
500 S. Buena Vista St.
Burbank, Calif. 91521
(213) 845-5000

Walt Disney Studios

Marketing personnel: Jeffrey Katzenberg, chmn; Richard H. Frank, president; Bob Levin, sr vp-mktg; Ed Pine, vp-publicity & promo; Robert Jahn, vp-creative svcs.

Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.

Brands/services by agency of record:

Waly Disney Studios

Ad agency: (In-house): Robert Jahn, vp-creative svcs.

Disney Consumer Products

Marketing personnel: Barton K. Boyd, president; Stephen W. McBeth, vp; Paul S. Pressler, vp-licensing.

Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.

Brands/services by agency of record:

Consumer prods

Ad agency: Janklow Bender & Associates, New York: Bruce Janklow, president.

Walt Disney Attractions

Marketing personnel: Richard A. Nunis, president; Tom Elrod, vp-mktg, Walt Disney World; Phil Lenyel, dir-mktg admin, Walt Disney World; Mike McPhillips, mgr-adv, Walt Disney World; Bob McTyre, vp-mktg, Disneyland; Ron Kollen, mgr-adv, Disneyland.

Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.

Brands/services by agency of record:

Attractions

Ad agency: (In-house): Vista Advertising, Orlando, Fla.: Jani Lopez-Mead, media dir.

RANK
65

Dow Chemical Co.

Midland, Mich.
ADVERTISING: **$ 135.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	13,377	11,113	20.4
Earnings	1,240	732	69.4
■ U.S.	**1987**	**1986**	**% chg**
Sales	5,946	5,165	15.1
Operating income	1,037	601	72.5
■ Division sales	**1987**	**1986**	**% chg**
Basic chemicals	4,676	3,903	19.8
Basic plastics	2,318	1,621	43.0
Industr specialties	3,853	3,339	15.4
Consumer specialties	2,530	2,250	12.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	267	47	463.2
Business pub	3,974	4,314	(7.9)
Magazine	17,237	15,281	12.8
Newsp supp	332	73	356.7
Farm pub	1,488	1,388	7.2
Outdoor	49	56	(13.1)
Network TV	64,678	65,208	(0.8)
Spot TV	5,677	12,200	(53.5)
Network cable	2,132	1,218	75.0
Network radio	6,423	4,621	39.0
Spot radio	433	523	(17.3)
Measured	102,689	104,931	(2.1)
Unmeasured	33,000	34,000	(2.9)
Total	135,689	138,931	(2.3)

Dow Chemical Co. hit record sales and income in 1987 while it simplified corporate structure from four main segments to three, and launched into personal care and crop biotechnical fields.

The company reported total advertising grew 6% in 1987 to $329 million worldwide, which included many forms of sales-related charges Dow attributes to cost of marketing.

AA estimated Dow's advertising for the U.S. only at $135.7 million, a drop of 2.3% from 1986 caused largely by sizable cuts in ad backing from several Dow household brands. At the same time, measured support for Merrell Dow Pharmaceutical group climbed nearly $5 million.

Dow continues to build on its strong financial performance of 1987. In the first half of 1988, sales have grown 28% to $8.23 billion, operating income has leaped 81% to $1.94 billion and net income of $624 million is double that of the prior year.

Dow's big consumer efforts, and hence its heavy advertising, backed products in two segments of its Consumer Specialty division, the combo unit—Merrell Dow and Lakeside Pharmaceuticals—and Consumer Products.

Merrell Dow and Lakeside Pharmaceuticals combined rang up more than $1.1 billion in sales for 1987. Consumer Products (soon to be Dow Brands Inc.) rose 9.3% in sales to $597 million. It includes Ziploc bags and Saran and Handi-Wrap plastic wraps and also the Texize and Dow brands of household cleaners.

At Merrell Dow, Terfenadine, a non-sedating antihistamine sold as Seldane in the U.S., topped U.S. antihistamine sales just four weeks after its 1986 introduction. Its sales rose 60% to $240 million worldwide in 1987. Merrell Dow has high hopes that forthcoming research data will aid sales of another prescription drug, Lorelco, used in treating high cholesterol.

Big changes in ad spending were recorded in pharmaceuticals where 1987 BAR/LNA seven-media expenditures climbed 50%, to $19.3 million. The biggest chunk of this was $17.1 million for the Cincinnati-based Merrell Dow prescription products line, leaving $2.2 million for the Lakeside Pharmaceutical OTC products.

After initial heavy spending of $3.7 million in 1986 for the debut of Merrell Dow's brand new methylcellulose bulk fiber laxative Citrucel, competitor to long-established Metamucil from Procter & Gamble, expenditures in 1987 dropped nearly 30% to $2.6 million in 1987.

In the Consumer Products segment, the adaptation of Ziploc bags to commercial packaging was one of the big successes in 1987. ZipPak has given marketing leverage to a number of brands and renewed spokesman Steve Allen as a familiar household face in America.

To move its Ziploc bags firmly into the commercial packaging field, Dow in November 1986 formed a joint venture, ZIP PAK Inc., Northbrook, Ill., with package engineering specialists, the Signode Co. The resealable bags now are used by General Foods' Post Cereals, Sargento Cheese, Oscar Mayer, Louis Rich and Pilgrim's Pride meats and Saratoga potato chips. Kraft is said to be considering Zip Paks for some of its cheeses.

Among individual household brands, a major change came in support for Dow Tough Act Bathroom Cleaner, where advertising plummetted to just $507,200 in 1987 after reaching $4.2 million in measured spending the year before. HandiWrap measured support also was cut back sharply to less than 20% of its 1986 level, falling to $793,800 from $4.1 million in 1986. At the same time, Saran Wrap spending rose 9% to $4.1 million and Texize Spray'n Wash was up 53% to $3.9 million.

By now widely familiar, the print and electronic corporate advertising, "Dow Lets You Do Great Things" series was at first criticized as sometimes too syrupy. That has changed, said corporate ad manager Richard F. Dalton. "That may have been true for the first ones but now they're well received, and we're continuing them." D'Arcy Masius Benton & Bowles is the agency.

Much more focused is a print series in industrial coatings trade books for the Dow Resins Products Coatings Group in Plastics Group Services done by Anderson & Lembke of Stamford, Conn. Ads showed how Dow employees met the needs of their customers but failed at other endeavors. The first of the ads, for example, was headlined: "Dave Hill helped to develop seven new epoxy resins for his marine and maintenance customers. Still, he can't get elected mayor of Clute, Texas." According to Marjorie Kaplan, marketing communications manager for polyurethanes and epoxy resins, "We hadn't ever done much in advertising. We were hiding our light under a bushel. Then we built this new lab in Texas, and we needed a new ad approach."

Two acquisitions made in the latter part of 1987 give Dow Chemical access to new marketing areas. In September 1987, Lamaur Inc., St. Paul, Minn., mainly a hair-care products marketer, was purchased for $173.5 million. Lamaur spent an estimated $30 million in 1987 to advertise its shampoo, conditioner and other hair-care brands, including Textra, Perma Soft and Style. Campbell-Mithun-Esty, Minneapolis, continues as agency under Dow ownership.

Another move into a new area was the purchase in late 1987 of United Agri-Seeds Inc., a crop biotechnology company based in Champaign, Ill. Dow paid $45 million for the new subsidiary which has four seed companies in Massachusetts, one in Minnesota and one in France (owned 67% by Dow). This is now part of the third segment of the Consumer Specialty division: Agricultural Products, which recorded sales of $819 million in 1987, up 6%.

President Frank Popoff in December 1987, took on the added responsibilities of CEO, succeeding Paul F. Oreffice who is now chairman of the board. In other management advances, J. Pedro Reinhard, moved up from VP-Dow Europe and general manager of Dow Italy to corporate treasurer and Enrique Falla became CFO after a number of earlier financial positions and presidency of Dow's Latin American unit. Newly elected as a board director in January 1988 was Michael L. Dow, CEO of General Aviation Inc., Lansing, Mich. and a grandson of Dow Chemical founder, Herbert Dow.

THE DOW CHEMICAL COMPANY
2030 Willard H. Dow Center
Midland, Mich 48674
(517) 636-1000

Corporate personnel: Paul F. Oreffice chmn; Frank R. Popoff, president-ceo.

Dow Chemical USA

Corporate personnel: Keith R. McKennon, president; William S. Stavropoulos, group vp-plastics & hydrocarbons; Enrique J. Sosa, commercial vp-Industrial Specialties & Services; Thomas K. Smith, vp-govt & public affairs; Richard K. Long, dir-corp comm; Richard F. Dalton, mgr-corp adv.

Brands/services by agency of record:

Corp program

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: H.J. Hogan, sr vp-mgmt super; W.L. Gaer, vp-acct super.

Chemicals & Performance Products

Marketing personnel: John W. Tysse, dir-mktg, chemicals and metals; Stewart D. Brown, dir-mktg, performance prods, latex & new ventures; Ron S. Ihrig, dir-mktg, separation & process prods; Timothy W. Noonan, group mgr comm.

Brands/services by agency of record:

Plastic-lined piping prods
Salt brine prods
Separation & process prods
Specialty chemicals

Ad agency: Alexander Marketing Services, Grand Rapids, Mich: Robert Milroy, president, acct group super; Richard Hill, vp-acct super; Christopher Beaudoin, acct exec.

■

Chemicals & metals-promo support

Ad agency: Gibbs & Soell, New York: Cos Malozzi, president; Richard Kerrigan, acct super.

■

Chemicals & metals

Ad agency: Sefton Associates, Grand Rapids, Mich.: Gary Petertyl, sr vp; Greta Bolger, vp-acct exec.

■

Gas specialty business

Ad agency: Seller & Gaddis, Craig, Lamm, Houston: Rob Godwin, exec vp.

■

Latex prods

Ad agency: Weller, Cook & Misamore Advertising, Grand Rapids, Mich: Robert Cook, vp.

Plastics Group Services

Marketing personnel: Lee A. Schobe, vp-sales & mktg; Gordon E. Butte, comm group mgr; Michael G. Caparon, comm consultant; Richard J. Proskow, comm mgr-automotive; Henry W. Steffens, comm mgr-urethane & epoxies; Linda L. Druskins, comm mgr-Styrofoam prods.

Brands/services by agency of record:

Urethanes
Epoxies

Ad agency: Anderson & Lembke, Stamford, Conn.: Hans Ullman, acct exec.

■

Styrofoam prods

Ad agency: Jayme Organization, Cleveland: Lawrence Cavanaugh, exec vp; Mike Romans, vp-acct mgr.

■

Automotive prods

Ad agency: Sefton Associates, Grand Rapids, Mich: Gary Petertyl, sr vp.

Consumer Specialties
Agricultural Products

Marketing personnel: Robert C. Spears, mgr-mktg resources & comm; Jan R. Larson, mgr-mktg resources, industrial and specialty materials mktg comm; Ev Germon, mgr-mktg resources, agri-crop mkts.

Brands/services by agency of record:

Infestational materials
Infestational vegitative mgmt
Small grains specialty crops

Ad agency: Bader Rutter & Associates, Milwaukee: Miller Hogan, acct super.

■

Midwestern agriculture
Coastal agriculture

Ad agency: Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa: Randy Thompson, vp-acct super.

■

Media planning

Ad agency: Vitt Media, New York: F. Richard Olsen, vice chmn.

Merrell Dow
Pharmaceuticals U.S.
Cincinnati

Marketing Personnel: Vaughn Kalian, president; Kirk R. Schueler, dir-mktg; Randall Madsen, dir-prod mgmt; John Bruton, dir-adv.

Brands/services by agency of record:

Targocid

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt Healthcare, New York: Joyce Knapp, vp.

■

Allergy adv

Ad agency: Medicus Consumer Communications, New York: Joe Davis, exec vp-mng dir.

■

Seldane

Ad agency: Medicus Intercon, New York: Jennifer Greenblatt, vp-acct super.

■

Lorelco
Norpramin

Ad agency: (In-house): Merrell Dow, Cincinnati: John Bruton, dir-adv.

Lakeside Pharmaceuticals
Cincinnati

Marketing Personnel: William Robertson, president; Herbert Lund, dir-promo & prod mgmt; Ryan Abbate, adv mgr.

Brands/services by agency of record:

Cepacol Gold
Cepacol Mint
Citrucell
Novahistine
Tussend

Ad agency: Rubin, Reed, Noto & Ehrenthal, New York: Herb Ehrenthal, acct super.

■

Nicorette

Ad agency: Rubin, Gace & Associates, New York: Francis Gace, exec vp-acct dir.

■

Bentyl
Singlet
Tenuate

Ad agency: (In-house): Lakeside, Cincinnati: Ryan Abbate, adv mgr.

DowBrands Inc.
Home Care Division
Greenville, S.C.

Marketing personnel: Jim Bernhardt, vp-mktg; Gary Warren, group prod mgr-laundry prods; Don Mueller, group brand mgr-hard surface cleaners; Mike Cooper, group prod mgr-deodorizing & devel prods; Susan Crow, group prod devel mgr-new prods.

Brands/services by agency of record:

Home care div

Ad agency: Henderson Advertising, Greenville, S.C.: Mike Zeller, sr vp-group acct dir; Beverly Grant, sr vp-mgmt super; Rich Stoffer, vp-mgmt super; Mark Klein, vp-acct super; Erica Kieffer, acct super; Tom Dunn, acct exec.

Food Care Division
Indianapolis

Marketing personnel: Joe Bucci, vp-mktg; Steve Johnson, vp-new prod devel; Debi Burns, group brand mgr-wraps; Rick Field, group brand mgr-bags; Jane Judd, adv mgr.

Brands/services by agency of record:

Food care prods

Ad agency: Della Femina, McNamee WCRS, New York: Ed Pedeschi, exec vp, dir-acct svcs; Mike Jeary, exec vp-group acct dir; Phil Juliano, exec vp-mgmt super; Barbara Johnston, Nadine Saker, acct supers.

Personal Care Division
Minneapolis

Marketing personnel: David Drum, vp-mktg; Nina Diamond, group brand mgr.

Brands/services by agency of record:

Personal care prods

Ad agency: Campbell-Mithun-Esty, Minneapolis: Howard Liszt, sr vp; John Purdy, vp-mgmt super; Jordon McElwain, acct super.

RANK
75

Dr Pepper/ Seven-Up

St. Louis
ADVERTISING: **$ 114.1** MILLION

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,962	1,942	1.0
Business pub	68	676	(90.0)
Magazine	263	80	228.3
Outdoor	559	3,513	(84.1)
Network TV	32,677	30,643	6.6
Spot TV	30,959	15,331	101.9
Network cable	2,798	1,050	166.5
Network radio	103	0	NA
Spot radio	4,729	2,095	125.7
Measured	74,117	55,330	34.0
Unmeasured	40,000	30,000	33.3
Total	114,117	85,330	33.7

The merger of Dr Pepper Co. and Seven-Up Co. brings together two established soft drink franchises to create the nation's third largest soft drink company.

Dallas-based Dr Pepper/Seven-Up Cos. is the new name for the company formed by the Hicks & Haas investment group. Hicks & Haas acquired each company in separate transactions in 1986.

Until the formal merger in spring 1988 in a transaction valued at $1.3 billion, Dr Pepper and Seven-Up had combined certain administrative and manufacturing functions to cut costs. The merger will lead to further economies of scale.

John R. Albers, who served as chairman of both Dr Pepper and Seven-Up, assumed the position of president-CEO of the newly-formed parent company and of each division. Former Seven-Up President James Harford resigned in May.

Sales and marketing for Dr Pepper and Seven-Up however continue to be handled separately.

Young & Rubicam, New York, is agency for Dr Pepper and Leo Burnett USA, Chicago, serves Seven-Up.

Together the two divisions, as they are now called, represent total annual sales of around $525 million.

According to John C. Maxwell, beverage analyst at Wheat First Securities, Dr Pepper/Seven-Up Cos. in 1987 held a 10.1% share of the total soft drink market for an overall third place. By comparison, Coca-Cola led with a 40% share, followed by PepsiCo with a 30.9%.

In April 1987, Dr Pepper abandoned its "Taste for Originality" ad campaign and replaced it with "Dr Pepper—Just what the doctor ordered." The new effort, which carried into 1988, is more brand focused and makes use of well-known songs featuring the word "doctor."

Buoyed by double-digit increases in ad spending, regular Dr Pepper achieved a 4% market share in 1987, an 8% increase over 1986. But Dr Pepper's noticeable success came with Diet Dr Pepper, which posted a 14% volume increase. Still, Diet Dr Pepper holds only a 0.4% share overall. The brand's reformulation in 1986 with 100% NutraSweet is expected to help boost sales.

Diet Dr Pepper is backed by separate advertising which makes use of the "personals column" format with the theme "Throw your diet a curve." Two new executions feature soap opera actress Susan Lucci and actor David Naughton, the original "Be a Pepper" dancer.

"We wanted to bring some star quality to the diet execution," explained John Clarke, Dr Pepper senior VP-marketing.

BEST COPY AVAILABLE

Mr. Clarke added that in 1987 marketing funds for Dr Pepper were boosted by 18%. The division has experienced three consecutive years of record sales driven by brand Dr Pepper.

Under aggressive new management after its sale by Philip Morris Cos., Seven-Up Co. has turned around declining sales. Also, under Philip Morris Cos., Seven-Up posted a $6 million loss in 1986. At the end of 1987, the company had posted a $40 million profit.

Renewed momentum came from the successful introduction of Cherry 7UP, targeted to teens. The line extension, in both regular and diet versions, achieved a 1.4% share of total soft drink volume after its first year of distribution, making it the most talked-about soft drink in 1987.

Cherry 7UP's ad budget doubled to $25 million to promote the theme "Isn't it cool in pink?"

Meanwhile, brand 7UP continued its "Feels so good comin' down" tagline with the use of rain as a refreshment symbol. Brand 7UP the long-time lemon-lime leader, slipped behind Coca-Cola's Sprite in 1987 in market share, according to Mr. Maxwell's figures. Brand 7UP held a 3.4% share compared to Sprite's 3.6% share.

Committed to maximizing the 7UP trademark among all age groups, the company in early 1988 announced the introduction of 7UP Gold, a spicy citrus flavor amber color soft drink made with caffeine.

Backed by a $15 million ad budget for its gradual rollout, 7UP Gold regular and diet are aimed at cola drinkers between 18 and 34. The company had not targeted cola consumers since the ill-fated, short-lived introduction of Like cola, which is no longer widely available.

Positioned as "The wild side of 7UP," 7UP Gold uses two zany commercials with the oldie song "Wild Thing." So far, sales are slightly below plan but the company expects success as rollout continues.

Another development in spring 1988 focused on separate advertising for Diet 7UP. Commerials for the brand, which had used the umbrella theme "Feels so good comin' down," introduced the tag "Lighten Up with Diet 7UP" to create a more distinct identity for the brand.

Diet 7UP had suffered 30 months of sales declines until March 1988, according to Russ Klein, Seven-Up senior VP-marketing, adding, "Separate advertising was needed to place Diet 7UP back in top of mind. It is still the third largest diet brand but we had been losing share."

Overall, the Dr Pepper/Seven-Up merger has linked up two well-known brands under an aggressive management team committed to gaining market share in the intensely competitive $40 billion soft drink market.

DR PEPPER/SEVEN UP CO.
8144 Walnut Hill Lane
Dallas, Texas 75231-8144
214-360-7000

Marketing personnel: John Albers, president-ceo; John Clarke, Dr Pepper sr vp-mktg; Russ Klein, Seven-Up sr vp-mktg.

Brands/services by agency of record:

Dr Pepper

Ad agency: Young & Rubicam, New York: Bill Thompson, group dir; John Swan, mgmt super.

■

Seven-Up prods

Ad agency: Leo Burnett USA, Chicago: Jack Woods, acct dir; Janet Brown, Sue Matson, acct supers.

RANK
59

Du Pont

Wilmington, Del.
ADVERTISING: **$ 149.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	30,468	27,148	12.2
Earnings	1,786	1,538	16.1
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	20,796	18,758	10.9
Operating income	1,418	1,147	23.6
■ ***Division sales***	***1987***	***1986***	***% chg***
Biomedical prods	1,266	1,150	10.1
Industr. cons. prods	3,284	2,839	15.7
Fibers	5,261	4,786	9.9
Polymer prods	3,811	3,657	4.2
Chemicals	3,979	3,396	17.2
Petro exploration	2,006	1,926	4.2
■ ***Division sales***	***1987***	***1986***	***% chg***
Petro refining, mktg	9,031	7,893	14.4
Coal	1,770	1,501	17.9

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	896	394	127.4
Business pub	12,537	9,724	28.9
Magazine	41,676	31,613	31.8
Newsp supp	2,119	2,101	0.8
Farm pub	4,978	3,832	29.9
Outdoor	112	9	1,161.8
Network TV	26,603	21,172	25.7
Spot TV	9,351	4,687	99.5
Network cable	1,187	578	105.4
Spot radio	2,291	1,572	45.8
Measured	101,749	75,681	34.4
Unmeasured	48,000	35,000	37.1
Total	149,749	110,681	35.3

The settlement of a long-standing industrial patent battle with Dutch chemical company, Akzo NV, will open new marketing doors for E.I. du Pont de Nemours & Co. with its superfiber, Kevlar, which received little advertising support in 1987 out of a total Du Pont budget of $149.8 million, up 35.3%.

The two companies in May 1988 entered into a tentative agreement to suspend their 11-year legal battle over industrial patents for the manufacture of Kevlar fiber by Du Pont, and the product, Twaron, by Akzo. The agreement allows them to compete freely in nearly all world markets, though a U.S. International Trade Commission import ban excludes Twaron.

Analysts say the deal will reduce uncertainty among customers, and could result in a boom for the superfiber, which is five time stronger than steel. Du Pont estimates sales of Kevlar, which it discovered 25 years ago, at almost $300 million and forecasts a 10% annual sales growth in the next five years. Kevlar already is used in Army helmets, bulletproof vests, flak jackets, tennis rackets, skis, golf clubs and racing sails.

It has a variety of potential uses in the automotive, aerospace and defense industries. Because it is resistant to heat and friction, Kevlar may prove to be an acceptable substitute for asbestos.

Apart from its fiber and chemical, Du Pont in 1987 entered the computer-designed workstation business through its Design Technologies unit. The desktop-publishing workstations, to be known as the VASTAR Design & Imaging System, feature "open architecture" to interface with different computer systems. Du Pont's intent is to become the leader in electronic imaging by building on its reputation as a major supplier of chemicals and films to the printing industry.

Nylon, developed by Du Pont in 1938, accounted for one-tenth of company's sales and nearly one-quarter of its earnings in 1987 in its various formulations and uses. The fiber received $3.7 million in measured ad spending, up 12.7% from 1986, according to BAR/LNA. However, advertising for carpet fibers, which are largely nylon-based, reached $22.9 million, up 80% from 1986, notes BAR/LNA. This category did not exist two years ago.

An additional $5.2 million, nearly all in magazines, was spent to build name recognition for Stainmaster carpet, up from $1 million in 1986. The positive reaction to the Du Pont-certified Stainmaster campaign over the last few years has enabled the company to shift its business from lower-valued items to the high-performance brand. The campaign has spurred overall sales growth in carpet fibers for Du Pont, which is the world's leading producer and marketer of carpet fibers.

Spending on Lycra more than doubled to $10 million in 1987, according to BAR/LNA. Lycra is promoted in ads for undergarments, hosiery and bathing suits from manufacturers such as Maidenform, No Nonsense and Gortex. Spending on Antron fibers in carpeting and apparel dropped 50% to $2.2 million. General fibers drew $2.5 million—almost exclusively in magazine—down 20.5%.

Aside from fiber advertising, spending in several categories declined. These include Teflon stain repellent down 19.3% to $4.25 million; Silverstone cookware dropping 41% to $2.6 million and Remington firearms and ammunition down 28% to $473,000. However, general promotion of Du Pont accounted for $11.6 million in spending, up 108%.

During 1987, Du Pont continued to move business from its core agencies into small, regional shops. Among the new agencies are Ackerman, Hood, McQueen, Tulsa, Okla., with the $2 million fishing line products; M.E.D. Communications, Woodbridge, N.J., for diagnostic imaging products and Richardson, Myers & Donofrio for estimated $2 million finishes and fabricated products accounts.

Young & Rubicam's Detroit office, benefiting from proximity to Du Pont's new automotive research lab in Troy, Mich., picked up the automotive products, engineering polymers and industrial fibers assignments worth an estimated $18 million in media advertising, direct marketing, sales promotion and PR.

N W Ayer, New York, which has worked on Du Pont business for 32 years, retained fabricated products but lost the photosystems and chemicals work.

E.I. du PONT DE NEMOURS & CO.
1107 Market St.
Wilmington, Del. 19898
(302) 774-1000

Marketing personnel: J.R. Malloy, sr vp-external affairs; R.E. Williams, C.L. Perry, mng dirs-external affairs; H.E. Davis, comm dir-auto prods, polymer prods, chemicals & pigments, petrochemicals; J.M. Murray II, comm dir-biomedical prods, Photosystems, electronic prods; R.W. Nightingale Jr., comm dir-textile fibers; L.C. Tashjian Jr., comm dir-agricultural prods, fabricated prods, corp adv.

Brands/services by agency of record:

Fabricated prods

Ad agency: N W Ayer, New York: Theodore M. Regan, exec vp-mng creative dir.

■

Pharmaceutical prods

Ad agency: Barnum Communications, New York: Peter Neaman, sr vp-acct super.

■

Textile fibers' apparel
Carpet fibers
Home furnishings
Fiberfil prods
Corp adv programs

Ad agency: BBDO, New York: Margaret Evans, vp-mgmt rep; Joseph Crowley, sr vp-mgmt rep.

■

Electronics

Ad agency: Ketchum Communications, Philadelphia: Scott Franks, sr vp.

■

Medical prods

Ad agency: M.E.D. Communications, Woodbridge, N.J.: Dr. Robert Portman, president.

■

Staff dept. special projects
Hotel du Pont
Employee relations

Ad Agency: Reese, Tomases & Ellick, Wilmington, Del.: Alan B. Poland, sr vp.

■

Fabricated prods

Ad agency: Richardson, Myers & Donofrio, Baltimore: Jamie Rice, exec vp.

■

Agricultural chemicals
Remington arms
Chemical & pigments
Petrochemicals

Ad agency: Rumrill-Hoyt, Rochester, N.Y.: Nick Orloff, president-coo; Keith Kuehn, vp-group mgr; Tim Cronin, sr vp-creative dir; Gale Johnson, vp-pr dir.

■

MI-Industrial fibers
Automotive prods
polymers prods

Ad agency: Young & Rubicam, Detroit: Dan Wagner, sr vp.

RANK
7

Eastman Kodak Co.

Rochester, N.Y.
ADVERTISING: **658.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	13,305	11,550	15.2
Earnings	1,178	374	215.0
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	8,040	7,398	8.7
Operating income	1,317	350	276.3
■ ***Division sales***	***1987***	***1986***	***% chg***
Imaging	10,941	9,408	16.3
Chemicals	2,600	2,378	9.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	2,866	3,919	(26.9)
Business pub	6,045	5,707	5.9
Magazine	32,884	25,846	27.2
Newsp supp	1,232	1,316	(6.3)
Farm pub	247	364	(32.0)
Outdoor	1,096	1,043	5.1
Network TV	145,961	137,624	6.1
Spot TV	15,000	9,498	57.9
Network cable	7,989	8,487	(5.9)
Network radio	3,941	6,915	(43.0)
Spot radio	960	1,475	(34.9)
Measured	218,221	202,192	7.9
Unmeasured	440,000	408,000	7.8
Total	658,221	610,192	7.9

Eastman Kodak Co. spent much of 1987 and early 1988 trying to find the right fit in its vast imaging business before surprising analysts with the purchase for $5.2 billion in cash of Sterling Drug, presenting a new focus to the Rochester, N.Y.-based company.

Already involved in human nutrition, agricultural products and anti-cancer research, Kodak gained a strong pharmaceutical and distribution network and powerful brands in the deal with Sterling. But the Sterling buy also showed the company was preparing for the days when electronic imaging—both motion and still pictures—would supplant the traditional photographic forms, according to Eugene Glazer, analyst with Dean Witter Reynolds Inc.

"And Kodak probably won't dominate that (electronic imaging)," he said, pointing out the company's withdrawal in late 1987 from 8mm video photography as one piece of evidence in that direction.

During 1987, lower manufacturing costs, mostly the result of trimming 13,000 from its payroll, and growth of 8% to 10% in the number of pictures taken (5% to 6% is normal) helped stimulate growth. Expansion abroad also contributed heavily. The declining dollar assisted foreign sales even further. Kodak's non-U.S. business accounted for 26% of sales in 1987, up from 22.4% in 1986 and 18.1% in 1985.

Advertising totals for Kodak in this profile include those of Sterling Drug. Sterling is the larger advertiser of the two. In BAR/LNA measured media, for example, Sterling had expenditures of $123.9 million, up 7.5% from 1986. Kodak's measured total was $85.2 million, up 11% in BAR/LNA seven media totals.

Earnings at Kodak remained strong for the first two quarters of 1988, aided by strong growth overseas, and "a tremendous rebound in chemicals," said Mary Meeker, analyst with Salomon Brothers. Sterling results were not included in financial totals for 1987 or first half 1988.

She said the one negative in the period has been poor imaging sales in the U.S., primarily because of a switchover to the Kodacolor Gold line. In the switchover, Kodak offered its older films in discounted multipacks. Consumers thus built up their own inventories of film. Dealers also sold off the older style films before building their inventory for the new Kodacolor line. Kodak backed its films with $30.7 million in measured spending 1987, up 10%, according to BAR/LNA.

Still, picture taking grew and Kodak's processing materials and laboratories flourished. And although photofinishing mini-labs proliferated around the country, analysts said Kodak's photofinishing operations held up because it had a dominant share of the market for providing paper and chemicals to those labs.

However, "Photofinishing News Letter," an industry newsletter, was far less sanguine, pointing out that photofinishing sales in 1987 were $60 million, down substantially from the $200 million in sales it recorded just five years earlier.

Kodak grabbed an even larger share of the photofinishing market in January when the joint venture it announced late in 1987 with Colorcraft Corp., a subsidiary of Fuqua Industries Inc., passed the antitrust review of the FTC, adding to the growing list of major photofinishers using Kodak products exclusively.

The company also decided to acknowledge its mistake with disc cameras and pull out of the market. Kodak indicated it would continue making film for them. U.S. retail sales of disc cameras sold by Kodak and others had deteriorated from about 4.8 million in 1985 to $3 million in 1986 to fewer than 2 million in 1987.

The increasing amateur photographer use of easily operated point-and-shoot 35mm cameras contributed to the decline, which has led Kodak to introduce several new 35mm lines early this year, supporting them with a big campaign launched Academy Awards night.

Kodak continued its push into the highly profitable office equipment industry when it reached an agreement with IBM to take over IBM's copier repair business, a move Mr. Glazer said eventually will lead to Kodak's taking over the entire IBM copier business. Such big-ticket items offer greater profitability," said Mr. Glazer. Kodak can do better in this area than in the highly competitive area of consumer electronics, he said.

Still hanging over Kodek's head is the upcoming settlement portion of the patent infringement suit won by Polaroid Corp. That trial will take place in Federal District Court in Boston in January. Although Ms. Meeker said estimates for the settlement are about $1 billion, she said the case is likely to go to trial rather than be settled ahead of time. "Kodak and Polaroid have different expectations of the trial outcome," she said, noting the range for damages runs between $300 million and $3 billion. The first half of the lawsuit established that Kodak had infringed on Polaroid's instant-photography camera.

Sterling got an inestimable boost early this year when the "New England Journal of Medicine" reported that aspirin taken every other day may sharply reduce the risk of a first heart attack. Sterling produces Bayer aspirin, which holds a 16.5% share in the $800 million aspirin market.

About a month after the journal report, Sterling introduced to the market the "Bayer Calendar Pak," which includes a 28-day supply of Bayer—a dosage based on the every-day recommendation to prevent second heart attacks, a claim approved in 1985 by the FDA. Bayer ads currently tout aspirin's ability to reduce the risk that a heart attack will recur.

Sterling introduced Bayer in caplet form in 1987 and in the process pushed measured spending for the brand to $27 million, up from $15.4 million in 1986. That expenditure helped drive up sales of Bayer by 16% in 1987.

Despite early speculation it would sell off Sterling's household products division, Lehn & Fink, in mid-August, Kodak said it would retain the unit, which makes Lysol disinfectant, D-Con rat poison and other well-known products that accounted for $594 million in sales last year. Analysts speculated that Kodak couldn't get the top-dollar price it had to get for the unit to cover the price it paid and higher expenses caused by 1986 tax law changes, so decided to keep it.

Lysol drew $28.1 million in measured advertising, making it the heaviest brand pushed by Sterling in the nation's media. The expenditure actually dropped 3.8%. Lysol spending has been declining the past two years. It holds a 7% to 8% share of the liquid household cleaner market behind American Cyanamid's Pine-Sol at 17% and Procter & Gamble's Mr. Clean at 10%.

Joining standby Lysol in the household products division was Thompson & Formby Inc.'s line of house-care products, all backed extensively. Formby's furniture products received $4.9 million, up 17%, and Thompson Water Seal waterproof formula drew $6.6 million in measured spending, up 4.3%.

During 1987, Sterling reported net income of $197 million, up from $171.5 million in 1986, on sales of $2.3 billion, up from $1.99 billion in the prior year. Among its divisions, pharmaceutical specialities claimed $369.1 million in sales, up 21%; proprietary products, $354.9 million, up 8%; household and other products, $682.9 million, up 15%, and Sterling International, $920.1 million, up 18%.

Sterling is banking heavily on future sales of its Primacor drug. The FDA approved in 1987 the intravenous dosage form of the drug for use as short-term treatment of congestive heart disease. An advisory committee within the FDA in December 1987 recommended its usage in oral dosage form as well. Sterling bills the drug as the the first medication for chronic use to work directly on the failing heart since digitalis was discovered more than 200 years ago.

EASTMAN KODAK CO.
343 State St.
Rochester, N.Y. 14650
(716) 724-4000

Corporate personnel: Colby H. Chandler, chmn-ceo; Kay R. Whitmore, president-exec officer; J. Phillip Samper, vice chmn-exec officer.

Manufacturing/Distribution/Field Support Corporate personnel: William F. Fowble, sr vp-genl mgr, mfg, distribution, field support; Frank D. Zaffino, vp-genl mgr, Kodak Apparatus div; Ronald L. Heidke, vp-genl mgr, Rochester Sensitized Components Mfg; Vernon A. Dyke, vp-genl mgr, Sensitized Components Mfg; Robert H. Graulich, vp-genl mgr, distribution; Kenneth O. Hoffman, vp-genl mgr, mfg resources div.

Commercial & Information Systems

Top 25 network TV advertisers

Rank	Advertiser	Network TV expenditures			as % of co.'s
		1987	1986	% chg	'87 ad total
1	**Procter & Gamble Co.**	$377,552	$447,436	(15.6)	27.2
2	**Philip Morris Cos.**	330,778	342,444	(3.4)	21.2
3	**General Motors Corp.**	272,953	233,786	16.8	26.6
4	**Kellogg Co.**	237,985	166,006	43.4	45.3
5	**McDonald's Corp.**	216,067	193,002	12.0	33.3
6	Unilever N.V.	211,923	202,361	4.7	36.5
7	RJR Nabisco	209,777	155,301	35.1	25.0
8	Anheuser-Busch Cos.	186,948	177,496	5.3	29.4
9	American Home Products Corp.	182,057	183,493	(0.8)	46.6
10	Johnson & Johnson	181,999	164,322	10.8	39.6
11	**Ford Motor Co.**	161,177	188,815	(14.6)	25.2
12	**Chrysler Corp.**	151,569	147,036	3.1	26.7
13	**American Telephone & Telegraph**	146,418	135,162	8.3	27.6
14	**Eastman Kodak Co.**	145,961	137,624	6.1	22.2
15	**PepsiCo Inc.**	140,342	115,128	21.9	19.9
16	Bristol-Myers Co.	134,419	128,521	4.6	37.4
17	General Mills	133,724	130,140	2.8	23.4
18	Mars Inc.	130,271	84,983	53.3	34.4
19	Coca-Cola Co.	111,153	99,381	11.8	30.5
20	Pillsbury Co.	104,335	105,052	(0.7)	22.0
21	**Quaker Oats Co.**	104,107	88,322	17.9	30.2
22	**Ralston Purina Co.**	102,545	97,572	5.1	23.5
23	**Warner-Lambert Co.**	102,472	103,455	(1.0)	18.4
24	***Sears, Roebuck & Co.***	*89,973*	*127,804*	*(29.6)*	10.1
25	**Nestle S.A.**	86,607	88,131	(1.7)	25.4

Source: Broadcast Advertisers Reports as reported in BAR/LNA reports. **Note:** Dollars are in thousands.

Corporate personnel: Lawrence J. Matteson, group vp-genl mgr; Edgar J. Greco, vp-genl mgr, business imaging systems div; Charles L. Trowbridge, vp-genl mgr, copy prods div; Gary H. Conners, vp-genl mgr, federal systems div; C. Harold Gaffin, vp-genl mgr, graphics imaging systems div; Edward V. Ince, vp-genl mgr, customer equipment svc div.

Diversified Technologies

Corporate personnel: Frank P. Strong Jr., group vp-genl mgr; John R. Zeman, vp-genl mgr, mktg, clinical prods div; Robert T. Hamilton, vp-genl mgr, health sciences div; Richard T. Bourns, genl mgr-mass memory div; Donald W. Hartman, vp-genl mgr, lab & rsch prods div; Dennis M. DeLeo, vp, dir-bioscience/emerging business.

Photographic Products

Corporate personnel: Wilbur Prezzano, group vp-genl mgr; Peter Palermo, vp-genl mgr, consumer prods div; William P. McCarrick, vp-genl mgr, consumer svcs div; Jeorg D. Agin, genl mgr-motion picture & av prods div; Robert L. Smith, vp-genl mgr, photofinishing systems div; Raymond H. DeMoulin, vp-genl mgr, professional photography div; Robert C. Sharp, vp-genl mgr, U.S. sales div; James E. Moxley, president, Ultra Technologies; K. Bradley Paxton, vp-genl mgr, electronic photography div.

Communications & Public Affairs

Corporate personnel: David J. Metz, vp-dir.

Marketing personnel: Richard S. Bartlett, vp, dir-mktg comm.

Brands/services by agency of record:

Professional photography div
Motion picture/AV div
Electronic photography div
Consumer prods sales promo
Film trade
Camera trade
Photofinishing trade
Batteries trade

Ad agency: Rumrill-Hoyt, Rochester, N.Y.: Richard Thomson, chmn-ceo; Nick Orloff, president-coo; Tim Cronin, sr vp-creative dir; Gale Johnson, sr vp, dir-pr; Vicki Lewis, vp-assoc group mgr; Robert Davison, vp-acct super.

■

Amateur film
Business & industrial
Photofinishing
Ultratech batteries

Ad agency: J. Walter Thompson USA, New York: James Heekin, genl mgr-N.Y.; Mitchell Brooks, acct dir; Richard O'Leary, vp-acct super, film; Fred Stewart, vp-acct super, photofinishing and processing labs; Jeff Bodenmann, acct super, film; Anna Suessbrick, acct rep, photofinishing & processing labs; Anna Marie Mor, acct coord, film, photofinishing & processing labs; Doug Foster, vp-acct super, business & industrial; Josh Grotstein, acct super, business & industrial; Jill Jackson, acct rep, business & industrial; Stuart Sproule, asst acct rep, business & industrial; Marty Rose, sr vp-mgmt dir, Ultratech; David Riemer, acct super, Ultratech; Hunter Madsen, acct rep, Ultratech; Lynn Diele, acct coord, Ultratech.

■

Cameras

Ad agency: Young & Rubicam, New York: Peter Georgescu, president; Robert Harrington, exec vp; Tim Fitzgerald, mgmt super; Evangeline Ames, acct super; Robert Beltram, acct exec.

Eastman Chemicals Division

Corporate personnel: Toy F. Reid, exec vp-genl mgr; R. Wiley Bourne, Earnest W. Davenport, vps-asst genl mgrs.

Brands/services by agency of record:

Eastman chemicals div

Ad agency: FCB/Leber Katz Partners, New York: John Adams, sr exec vp; Howard Berg, group mgmt dir; Jack Benoze, mgmt dir; Randie Goldstein, acct exec.

STERLING DRUG
90 Park Ave.
New York, N.Y. 10016
(212) 907-2000

■

Corporate personnel: Hillary Hinchman, corp dir-adv svcs.

Glenbrook Laboratories

Corporate personnel: Robin D. Mills, president.

Marketing personnel: Simon R. Johnson, William A. Straus, Carol J. Perlman, group prod mgr; Robert S. Kinelski, vp-mktg.

Brands/services by agency of record:

Phillips' line
Haley's line

Ad agency: N W Ayer, New York: Roger D. Groves, mng dir; Jim Friedman, mgmt super; Troy Alvers, acct exec.

■

Medical comm

Ad agency: Dugan/Farley Communications, Montvale, N.J.: John P. Dugan, president.

■

Hispanic adv-
Bayer line
Phillips' line
Panadol

Ad agency: Font & Vaamonde, New York: Pedro Font, president.

■

Bayer line
Panadol

Ad agency: Lintas:New York: Bob Wadsworth, exec vp; Elliot G. Dorfman, sr vp-mgmt super; Vince Montuori, vp-acct super.

■

Stri-Dex
Midol

Ad agency: Warwick Advertising, New York: Wilder D. Baker, president; John Sloan, sr vp-mgmt super; Ann Riddell, vp-acct super; Melissa Dougherty, Kirk Cameron Ayars, Jeanne Manuli, acct execs.

Lehn & Fink
Product Group
Montvale, N.J.

Personal Products Division

Corporate personnel: Herb Waller, president.

Marketing personnel: Peter Stearns, vp-mktg; Mort Weisburd, vp-sales.

Consumer Products Division

Corporate personnel: Richard F. Gaccione, president.

Marketing personnel: Joseph Healy, vp; Richard A. Bachman, category mgr, disinfectants, air fresheners, rug, laundry; Christine McArdle, category mgr, all purpose cleaners; Kenneth Jones, category mgr, bath-bowl cleaners, floor, LBD; Kevin Dunn, dir-new prods.

Industrial Products Division

Corporate personnel: John J. McAllister, president.

Marketing personnel: James J. Castello, vp-mktg; Donald R. Nowlin, vp-sales.

Minwax Co.
Montvale, N.J.

Corporate personnel: Peter Black, president.

Marketing personnel: Ridgely W. Harrison III, vp-sales; James D. Murphy, vp-mktg; Godfrey C. Sluder, prod group mgr; Richard M. Kuhn, sr prod mgr-new prods.

The d-Con Co.
Montvale, N.J.

Corporate personnel: Earle K. Borman, president; David C. Hoffmeister, exec vp.

Marketing personnel: John J. McFadden, vp-sales dir; William Bassett, mgr-new prods; Mark Normyle, prod mgr-insecticides; Patti Mandel, prod mgr-Resolve & Energine; Debra Follick, mgr-adv & promo; Barry Lipsy, prod mgr, rodenticides, Rid-X; Thomas Murphy, group prod mgr, insecticides and rodenticides.

Thompson & Formby
Memphis, Tenn.

Corporate personnel: Kenneth M. Evans, president.

Marketing Personnel: Bill D. Stewart, vp-sales; Frederick D. Miller, vp-mktg; Fred W. Hundt, mktg mgr; Richard A. Loomis, sr prod mgr.

Brands/services by agency of record:

Minwax consumer & industrial prods

Ad agency: Gilbert, Whitney & Johns, Whippany, N.J.: John Mimnaugh, exec vp.

■

Wet Ones
Chubs
Ogilvie
Tussy
Dorothy Gray

Ad agency: Jordan, McGrath, Case & Taylor, New York: Judy Neidert, acct super, Wet Ones, Chubs; Don Gilbert, sr vp; Anne Kirkwood, acct super; Suzanne Constantine, Jennifer Graham, acct execs; Ilon Specht, sr vp; Jim Loh, media super; Peggy Shelly, vp, assoc rsch dir.

■

Lysol Pine Action
Lysol Laundry Sanitizer

Ad agency: Lowe Marschalk, New York: Michael Lesser, chmn-ceo; Andrew Langer, president; Marshall Kapp, exec vp; Barry Linsky, exec vp; Carl Maier, sr vp, mgmt super.

■

Rid-X Septic Aid
Energine spot remover

Ad agency: Ramm Advertising: Ed Ramm, president; Jack Hernish, vp.

■

Thompson & Formby

Ad agency: Slater Hanft Martin, New York: Jerry Martin, chmn; Terry Koch-Bostic, sr vp-mgmt super; Lily Li, acct super.

■

Lysol prods
Love My Carpet
Beacon Wax
Mop & Glo
Perk

Ad agency: Lintas:New York: Robert Watsworth, exec vp; John Barnes, sr vp; Ray Hilton, Tom Perlstein, Doug Harting, acct supers; Kevin Driscoll, David Knise, acct execs.

■

Insecticides
Rodenticides
Resolve carpet cleaners

Ad agency: Warwick Advertising, New York: Andrew Mockler, Lisa Halle, acct supers; Katherine Stuart, Melissa Dougherty, acct execs.

Winthrop Pharmaceuticals
New York

Corporate personnel: Harry A. Shoff, president.

Marketing personnel: Thomas L. Harkleroad, vp-sales, pharmaceuticals prods div; Thomas Giordano, vp-wound care; Joseph Scodari, exec vp-diagnostic imaging div.

Brands/services by agency of record:

Talwin Nx
Talwin injection
Talacen

Ad agency: Carrafiello-Diehl & Associates, Tarrytown, N.Y.: John S. Carlucci, vp-mgmt super.

■

Corotrope

Ad agency: Klemtner Advertising, New York: Sander Flaum, acct super.

■

Inocor

Ad agency: KPR, New York: Mike Boyer, acct super.

■

Danocrine
Omnipaque

Ad agency: Lavey, Wolff, Swift, New York: Charles Rockefeller, sr vp.

■

Biobrane
Carpuject

Ad agency: Vargas, Levy, Zules, New York: Tom Vargas, president.

Winthrop Veterinary

Corporate personnel: H. Dwight Koger, exec vp.

Marketing personnel: Joseph R. Lotito, natl sales mgr; Susan Brennan, sales & mktg analyst.

Brands/services by agency of record:

Veterinary pharmaceuticals & disinfectants
Pet care prods

Ad agency: Sawyer, Riley, Compton, Gainesville, Ga.: Louis Sawyer, vp-acct svcs; Richard Dickert, acct exec.

Winthrop Consumer Products Division
New York

Corporate personnel: William J. Godfrey, president; Karl A. Brautigan, vp-business devel.

Marketing personnel: Stephen Staves, vp-mktg; Marcia Bittner, group prod mgr; Pat Schneider, assoc prod mgr; Alex Friedman, Carleton Smith, asst prod mgrs; Hugh Press, James I. Steinberg, prod mgrs.

Brands/services by agency of record:

Neo-Synephrine brand
pHisoDerm
pHisoPUFF

Ad agency: N W Ayer, New York: Roger D. Groves, exec vp; Carol Foxely, acct super.

■

Campho-Phenique
Campho-Phenique triple antibiotic
New prods

Ad agency: Warwick Advertising, New York: Peter Black, mgmt super; Beth Kimbless, acct exec.

RANK
9

Ford Motor Co.

Dearborn, Mich.
ADVERTISING: **$ 639.5** MILLION

Sales & earnings

($ in millions)

Worldwide	*1987*	*1986*	*% chg*
Sales	71,643	62,716	14.2
Earnings	4,625	3,285	40.8
U.S.	*1987*	*1986*	*% chg*
Sales	55,302	50,034	10.5
Operating income	3,441	2,460	39.9
Division sales	*1987*	*1986*	*% chg*
Automotive	66,527	58,271	14.2
Other	5,116	4,445	15.1

U.S. advertising by media

($ in thousands)

Media	*1987*	*1986*	*% chg*
Newspaper	100,690	76,136	32.3
Business pub	5,448	5,251	3.7
Magazine	125,491	125,161	0.3
Newsp supp	615	3,853	(84.1)
Farm pub	4,267	4,475	(4.6)
Outdoor	1,787	2,134	(16.3)
Network TV	161,177	188,815	(14.6)
Spot TV	50,292	55,821	(9.9)
Network cable	6,118	4,748	28.9
Network radio	19,766	14,871	32.9
Spot radio	14,861	17,610	(15.6)
Measured	490,510	498,875	(1.7)
Unmeasured	149,000	152,000	(2.0)
Total	639,510	650,875	(1.7)

The nation's No. 2 automaker in 1987 avoided a crippling strike by negotiating a three-year contract with the United Auto Workers, weathered the stormy days following the Oct. 19 stock market crash, and went on to earn $4.6 billion.

Those earnings were the highest profit ever posted by an automobile company. Ford outearned archrival General Motors Corp. ($3.6 billion) for the second straight year.

For the first half of 1988, Ford's financial success shows no signs of slowing. During this period, it earned $3.28 billion, up 9.9% from the same period a year ago.

During this period of high profits, Ford became tighter with its U.S. ad spending. AA estimates Ford expenditures actually declined 1.7% to $639.2 million in the U.S. in 1987. And it certainly was a year marked with high anxiety for Ford's top ad agency, J. Walter Thompson. In July 1987, Ford shifted $100 million of non-U.S. advertising from JWT. Nine European accounts went to Ogilvy & Mather, and Young & Rubicam got Ford of Canada. Its estimated $260 million in U.S. business, however, remained with JWT.

Ford insisted the moves were not the result of the earlier acquisition of JWT Group by Britain's WPP Group although the buyout was said to have caused trepidation among some advertisers.

The automaker's financial performance last year gave it the cash to make several automotive and non-automotive acquisitions. Ford purchased an 80% equity in the Hertz Corp. vehicle rental company for $1.3 billion in December 1987. The remaining 20% was bought by Hertz management. Ford has since sold a 20% interest in Hertz to Volvo North America Corp. for $100 million, and it plans to reduce its ownership to a minority position.

In the fall of 1987, Ford acquired controlling interest in two British prestige automakers, AC Cars Ltd. and Aston Martin Lagonda Ltd. Ford and AC reportedly plan to produce a sports car with a $42,000 price tag, for which the U.S. would be a likely market. Aston Martin Lagonda already sells five hand-built models, priced at $112,000 to $167,000 in the U.S.

As part of an effort to diversify its business, Ford paid $512.5 million for United States Leasing Inc., a San Francisco-based commercial leasing company.

Ford and six other U.S. corporations formed a trade group, American Trade Consortium, which could lead to the sale of Ford vehicles in the Soviet Union.

Ford's profitability is traced to cost-cutting measures and to the success of its products, especially its two newest models, Probe and Continental. In market share, Ford has risen to 20.36% of the U.S. passenger-car market, up from 18.19% in 1986—this despite a 1% drop in U.S. car sales.

Ford's share of the U.S. truck market in 1987 was 29.1%, up about 1 percentage point from 1986. The company's goal for 1988 is to capture 21% of the U.S. car market and 30% of the truck market, Vice Chairman Harold A. Poling said earlier this year.

Last year, Ford sold 2,060,834 cars overall in the U.S., a decrease of about 1% from the previous year.

Of those, the Ford auto division accounted for 1,416,636, up 1.4%. According to the seven media monitored by BAR/LNA, the company backed its Ford nameplate with $245 million in measured ad spending, down 16.5% from 1986 levels that were pumped up by pricing and warranty wars. The best-selling cars in the U.S. last year were Ford Escort and Taurus, with 329,360 and 354,971 units sold, respectively. Escort got $20.3 million in measured spending, down 32%, according to BAR/LNA, and Taurus, $39.3 million, down 20.8%.

Lincoln-Mercury division moved 629,897 units last year, down about 5.9%. Measured media spending reached $78.5 million for the division, about even with 1986 levels, according to BAR/LNA. Lincoln's venerable Town Car continued to lead the division in sales, with 126,009 sold, although the Town Car received little measured advertising—$4.7 million, about the same as in 1986. On the Mercury side, the top-selling models were Grand Marquis and Cougar, recipients of only $669,000 (down 73%) and $11.6 million (up 26%), respectively, in measured spending in 1987, according to BAR/LNA.

Sales of Merkur models, at 14,301 units, were nearly even with last year—even though a new model, the Scorpio, was added to the lineup. Scorpio got $9.5 million in 1987 in measured spending, virtually all the Merkur expenditure, compared with $11.8 million in 1986, according to BAR/LNA.

Once again, Ford rode the crest of a wave of light-duty truck popularity. It sold a total of 1,435,205 trucks, an increase of about 3.9% over 1986. For the sixth year in a row, Ford's F-series pickup was the best-selling vehicle—car or truck—in the U.S., with 550,125 units sold. Ford backed its trucks with $68.9 million in measured spending, up 3.1% from 1986, according to BAR/LNA.

Ford division's 1988 ad campaign praises such successes under the umbrella theme "Winning the world over." The long-running tagline "Have you driven a Ford . . . lately?" has been retained, but is accompanied by the "winning" theme.

The TV spots are lifestyle- and situation-oriented and show people driving Ford vehicles as voiceover describes their benefits. Print ads are more product-oriented, focusing on vehicle design, engineering and warranty.

Probe sports coupe, the division's newest product whose advertising bears the ad logo, "A performance you won't forget," was designed by Ford and engineered by Japan's Mazda Motor Corp., 25% of which Ford owns. The car is built by Mazda Motor Manufacturing (USA) Corp. in Flat Rock, Mich. By the time the car was introduced in May, Ford had enough advance orders to fill production schedules until October. Ford is hoping to woo buyers who lean toward import models, such as Toyota Celica, and who are more upscale than buyers of comparable domestic cars.

Likewise, Ford's sales projections for the Korean-built Festiva subcompact have been on target. Ford sold 26,750 Festivas during the nine months it was available in 1987, and has sold more than 41,000 in the first seven months of this year. In the first quarter 1988, the Festiva drew $5.5 million in measured spending, according to BAR/LNA.

In 1988 truck advertising, the division retains the "Built Ford tough" theme for its full-size lineup, and the "Built fun tough" theme for smaller trucks, such as Bronco and Ranger.

For its TV ads, L-M dropped pop songs like The Beatles' "Help," and picked up on a newer trend: New Age music. L-M commissioned its own music, so dealer co-op ad groups also can use it to break through the clutter of 60's music used by other auto advertisers.

That also avoids legal problems, such as the pending lawsuit by Bette Midler over a sound-alike ad. In 1985, Ford and ad agency Young & Rubicam used a sound-alike after Ms. Midler refused to record her hit "Do You Want to Dance" for a TV spot. Ms. Midler filed a $10-million lawsuit, but a U.S. district court threw out the case. Earlier sound-alike cases also had failed. This summer, however, the 9th U.S. Circuit Court of Appeals in California overruled that decision and remanded the case for trial.

Print ads for Merkur Scorpio and XR4Ti retain the "Advancing the art of driving" themeline. However, nowhere does the name "Merkur" appear, which has fueled speculation that Ford might drop or change the division's name.

Upcoming intros include a high-performance version of the 1989 Taurus, called SHO (Super High Output). The car's V-6 engine is designed by Yamaha. Ford also will import an inexpensive 2-plus-2 roadster, called Capri, from its Australian subsidiary early next year. Also for the 1989 model year, Ford will introduce an all-new Thunderbird/Cougar. The top-line version of the Thunderbird, called SC or Super Coupe, will be equipped with a supercharged 3.8-liter, V-6 engine and anti-lock brakes.

Looking farther ahead, Ford once again will offer V-8 power in the T-Bird and Cougar in the 1990 model year, after a one-year hiatus. In the 1991 model year, Ford's Escort model is expected to be replaced by a Mazda 323-based vehicle code-named CT-20. The venerable Mustang, which celebrates its 25th birthday next year, will remain in Ford's lineup into the early 1990s. The front-wheel-drive Probe originally was conceived as a replacement for the rear-drive Mustang, but Ford changed its plans and decided instead to pump several million dollars into upgrading the plant where Mustang is made. Ford sold nearly 173,000 Mustangs last year.

Management went through a reorganization in 1987 following the death of then chairman Henry Ford II on Sept. 29. Mr. Ford, grandson of the company's founder, died of complications arising from pneumonia. He was 70. In the realignment the following month, Ford created two new operating groups, Ford Automotive Group and Ford Financial Services Group, which, along with Diversified Products Operations, report to Harold A. Poling, who became vice chairman, a new post, from president. He remains chief operating officer.

The new Automotive Group is headed by Exec VP Philip Benton Jr. He is succeeded as exec VP-international automotive operations by Allan Gilmour, who was exec VP-chief financial officer. Mr. Gilmour's successor is Stanley Seneker, previously VP-treasurer.

There also were swaps among top personnel at Ford and Lincoln-Mercury divisions. Robert L. Rewey moved from vp and general manager of Ford division to VP sales operations. He was succeeded by Thomas J. Wagner, formerly VP and general manager at L-M. Mr. Wagner was succeeded by Ross H. Roberts, former general marketing manager of Ford division.

In January, a fourth generation of Fords was elected to the company's board of directors. Edsel B. Ford II, 39-year-old son of Henry Ford II and Lincoln-Mercury general sales manager, and his cousin, William Clay Ford Jr., 30-year-old managing director of Ford of Switzerland, show promise that one day a Ford may once again lead Ford Motor Co.

FORD MOTOR CO.
American Road
Dearborn, Mich. 48121
(313) 322-3000

Corporate marketing personnel: D.T. McClure, exec dir-mktg; F.R. Wuellner, mgr-adv comm.

Brands/services by agency of record:
Corp adv
Ad agency: Wells, Rich, Greene, New York: James B. Lawrence, sr vp-mng dir, Detroit.

Ford Division

Corporate personnel: T.J. Wagner, vp-genl mgr.

Marketing personnel: R.L. Fenstermacher, genl sales mgr; J.E. Miller, exec asst-dealer affairs; P.M. Novell, genl mktg mgr; J.M. Ludlow, truck sales promo mgr; J.B. Vanderzee, adv mgr; R.J. Gillooly, car adv mgr; T.A. Boese, truck adv mgr; R.C. Halseth, media mgr; S.H. Beauchamp, merch mgr; J.L. King, car sales promo mgr; D.M. Pohlod, training comm mgr; J.H. Merrifield, heavy truck sales mgr; D.D. Litchfield, heavy truck adv & merch, mgr-truck operations.

Brands/services by agency of record:
Ford cars and trucks
Ad agency: J. Walter Thompson USA, Detroit: C.J. Balestrino, exec vp, Detroit office mgr; Richard Hawting, sr vp-exec creative dir; Sean Neall, vp-truck mgmt super; Hugh Trenkamp, sr vp-group mgmt dir; Ed Chima, vp-mgmt super, family cars; Steve Stepanek, vp-mgmt super, specialty cars.

Lincoln-Mercury Division

Corporate personnel: R.H. Roberts, vp-genl mgr.

Marketing personnel: Edsel B. Ford II, genl sales mgr; W.D. Lancaster, genl mktg mgr; S.C. Taylor, adv mgr; S.E. Wardwell, merch mgr; Chuck Schneider, major mkt dealer adv mgr.

Brands/services by agency of record:
Minority adv
Ad agency: UniWorld Group, New York: Byron Lewis, chmn & ceo; Herb Kemp, president; Fermina Platon, vp, dir-mktg.

■

Lincoln-Mercury
Ad agency: Young & Rubicam, Detroit: Roby Harrington, exec vp, chmn-Y&R USA natl group; John Sanders, president-Y&R Detroit; Greg Stein, sr vp-group dir; Ken Pool, sr vp, dir-media relations & planning; Warren Winstanley, vp-mgmt super, Lincoln luxury; Tim Cooney, vp-mgmt super, Mercury; Colleen K. Cleary, vp-mgmt super, Merkur; Kathleen J. Fieger, sr acct exec; Sandra A. Rowland, Shelley Stowell, acct execs.

Ford Parts & Service Division

Corporate personnel: Joseph A. Kordick, vp-genl mgr; L.R. Miskowski, genl sales & mktg mgr.

Marketing personnel: K.W. Myers, parts & service mktg mgr; L.K. Dwiggins, genl sales & service mgr; A.E. White, adv & sales promo.

Brands/services by agency of record:
Ford parts & service
Ad agency: Ogilvy & Mather, Detroit: Jan Starr, sr vp-genl mgr; Bill Behrmann, sr vp-media dir; Steve Kenety, David Murphy, vps-acct supers; Steve Hamilton, acct exec.

North American Sales Operations
Ford New Holland

Marketing personnel: R.F. Moglia, chmn & ceo; G.A. Cowl, vp-sales & mktg; J.A. Foster, dir-mktg svcs; W.T. Kennedy, vp-N.Amer. sales operations; R.A. Kinder, mgr-comm & sales promo.

Brands/services by agency of record:
Div adv
Ad agency: (In-house): R.A. Kinder, mgr-comm & sales promo; Don Shaw, dir-adv.

Ford Motor Credit Co.

Corporate personnel: D.S. Cook Jr., exec vp-N. American auto financing operations; C.B. Rosenberg, business devel mgr-diversified operations.

Marketing personnel: L.C. Larkin, vp-mktg; R.A. Kaniebes, mktg & business devel mgr; W.E. Beathard, mktg & operations mgr, consumer loan operations.

Brands/services by agency of record:
Ford Motor Credit
Ad agency: Wells, Rich, Greene, New York: N.A. Bodore, mgmt super.

RANK
96

Franklin Mint

Franklin Center, Pa.
ADVERTISING: **$ 86.6** MILLION

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	13,121	7,298	79.8
Business pub	9	25	(64.8)
Magazine	31,733	18,674	69.9
Newsp supp	17,497	9,505	84.1
Network TV	0	3	NA
Spot TV	3,966	2,568	54.4
Network cable	1,295	1,578	(18.0)
Measured	67,620	39,651	70.5
Unmeasured	19,000	11,000	72.7
Total	86,620	50,651	71.0

Franklin Mint is concentrating on what one company official calls a commitment to "supreme quality and design integrity" and its product line is a far cry from the diffused, cluttered cache often associated with that advertising genre.

The Mint still sells its famed Civil War chess sets, but who would have guessed a few years ago that its customers would be spending far more on fine jewelry from former Cartier designer Alfred Durante or crystal from Perrier-Jouet? This is not to mention the $10,000 Russian sable cape modeled by Carol Alt in Mint advertising or the $4,800 solid gold Dutchess of Windsor panther bracelet with ruby eyes.

The Mint's way of selling this now-upscale line of goods depends on direct response, what Mint public relations director Jack Wilkey calls "image-direct advertising. We are always conscious of direct response," he said. "We have to sell now."

One of the Mint's big ad vehicles is its own *Almanac* magazine, a slick publication that spotlights the Mint's wares as well as non-competing products from advertisers who can afford its hefty rate of $25,000 for a four-color page. Leading the charge are Stewart and Lynda Resnick, whose American Protection Industries, a security and luxury products company based in Los Angeles, owns the Franklin Mint. Most print ads are done in-house, with the broadcast work handled by Griffin Bacal, New York. The Franklin Mint features an 800 number, the electronic equivalent of the print coupon, in its broadcast ads.

The Mint reports it is spending $160 million worldwide on advertising, some $105 million of it in the U.S. About half of what is spent in magazines is in newspaper supplements. The advertising for such publications as *Parade* and *USA Weekend* is bought in bulk and on a long-term basis. The Mint is the largest advertiser in newspaper supplements among AA's 200 leading national advertisers.

BAR/LNA multi-media service figures for 1987 listed $54.5 million for domestic advertising, up 70.3% from the prior year. Most of that—$23.2 million—went for the porcelain collection for which Franklin Mint is well-known. Another $20 million was spent on collections or series put out by the Mint. Some $3.8 million was devoted to books and $6.4 million to jewelry, according to BAR/LNA.

Mr. Wilkey said the Mint is now targeting a younger, more upscale audience, emphasizing its endurable "desirables" rather than its collectible series. Part of this has involved using top fashion models like Ms. Alt and Jerry Hall, who recently modeled the new pyramid cuff watch.

None of the products make it into the retail stores, so Franklin Mint is a company whose entire sales and marketing depend on advertising—advertising that gets a quick, positive and direct response.

THE FRANKLIN MINT
U.S. Route 1
Franklin Center, Pa. 19091
(215) 459-6000

Corporate personnel: Stewart Resnick, chmn.

Marketing personnel: Lynda Resnick, exec vp-mktg; Thomas Durovsik, vp-mktg; Kurt Graetzer, vp-adv; Martin Breisblatt, vp-sales; Allan Beer, vp-media; Michael Burgess, vp-media mgmt.

Brands/services by agency of record:
Franklin Mint
Ad agency: Griffin Bacal, New York: Marsha Badanes, mgmt dir; Maurice Mahler, Lois Sandberg, vps-assoc creative dirs.

RANK
92

E&J Gallo Winery

Modesto, Calif.
ADVERTISING: **$ 93.6** MILLION

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	145	323	(55.3)
Magazine	69	5,427	(98.7)
Outdoor	260	896	(71.0)
Network TV	57,777	66,718	(13.4)
Spot TV	4,908	5,337	(8.0)
Network cable	308	138	123.7
Spot radio	136	722	(81.2)
Measured			
Unmeasured	30,000	37,000	(18.9)
Total	93,602	116,561	(19.7)

E&J Gallo Winery appears to be shifting its marketing weight back to its strong sales and distribution forces, after parting company with Hal Riney & Partners, because its total advertising declined 20% in 1987.

Spending was down for four major brands, with declines expected in 1988 for categories such as image spending. "Ernest (Gallo) has begun to doubt the value of the image campaign," said one source. In particular, measured spending dropped 45.6% to $3.1 million for Andre wines; Carlo Rossi spending declined to $231,000 from $2.4 million; spending for E&J Brandy, for which Gallo and Riney had trouble developing a new campaign, decreased to $127,200 from $6.2 million; and Gallo wines declined 22.3% to $26.2 million, according to BAR/LNA.

Once again, the cooler wars dominated the winery's ad budget, with Gallo spending $33.5 million in 1987, up 10.6%. Gallo continues to keep an eye on hot markets and never give the competition an edge. After Miller Brewing Co.'s Matilda Bay, a clear non-carbonated cooler made from Australian wine and fruit flavors, began picking up some market share, and Seagram's tropical flavor experienced some success, Gallo launched its own tropical flavor.

Overall, Gallo continued its stranglehold on the nation's wine business. Its share increased from 26% in 1986 to 30% in 1987, way ahead of nearest competitor, Vintners International at 10.9%.

Gallo's success is particularly significant when placed in perspective with the rest of the industry performance—wine consumption fell one half point last year.

Gallo, however, does not separate itself from the decline in the champagne and sparkling wines category in which industry totals show a drop of 4% in total gallons to 42.5 million consumed in 1987, breaking the 2.5% in annual growth recorded by the category for several years. Sales of Gallo's low-price Andre champagne, although the No. 1 brand, have been eroded by mid-price brands, such as Guild Wineries & Distilleries' Cook's champagne and Freixenet USA's Cordon Negro Brut. In response, Gallo has introduced Tott's champagne, and reportedly has plans for another brand positioned between Tott's and Andre.

At 122 million gallons, wine coolers represented over one-fifth of all wine sold in the U.S. last year. Cooler sales, however, are stagnant and the various brands are beginning to beat up on each other.

Ernest Gallo, chairman and legendary marketing whiz, held the ad community spotlight during the early months of 1987 in his search for a new ad agency. Dozens of agency visited the winery, located in Modesto, Calif. He quickly signed up John Crawford Creative to continue the Bartles & Jaymes campaign in time for the summer cooler season. But only six agencies remained in the running at mid-year for the overall account. They included Levine, Huntley, Schmidt & Beaver/New York, Della Femina, McNamee WCRS/LA, and Dailey & Associates/LA.

E&J GALLO WINERY
600 Yosemite Blvd.
Modesto, Calif. 95353
(209) 579-3111

Corporate personnel: Ernest Gallo, chmn; Julio R. Gallo, president.

Brands/services by agency of record:
E&J Gallo prods
Ad agency: unavailable at time of publication.

RANK
32

General Electric Co.

New York
ADVERTISING: **$ 272.6** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	40,515	36,728	10.3
Earnings	2,915	2,492	17.0
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	37,517	33,543	11.8
Operating income	3,705	3,563	4.0
■ *Division sales*	*1987*	*1986*	*% chg*
Aerospace	5,262	4,318	21.9
Aircraft engines	6,773	5,977	13.3
Consumer prods	5,042	4,654	8.3
Financial svcs	632	585	8.0
Industrial	4,707	4,711	(0.1)
Major appliances	4,721	4,352	8.5
Materials	2,751	2,331	18.0
NBC	3,165	1,817	74.2
Power systems	4,995	5,262	(5.1)
Technical prods	3,670	3,021	21.5
Other	85	774	(89.0)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	22,816	26,987	(15.5)
Business pub	10,936	13,737	(20.4)
Magazine	37,727	36,705	2.8
Newsp supp	952	380	150.8
Outdoor	1,737	1,541	12.7
Network TV	38,356	41,551	(7.7)
Spot TV	8,580	4,848	77.0
Network cable	390	1,186	(67.2)
Network radio	3,091	2,072	49.1
Spot radio	1,022	3,737	(72.7)
Measured	125,607	132,744	(5[illegible]
Unmeasured	147,000	155,000	(5.2)
Total	272,607	287,744	(5.3)

General Electric's measured advertising expenditures dropped for the second year in a row as the $40 billion company continues the restructuring begun under chairman Jack Welch.

A major element of that restructuring included the December sale to Thomson S.A. of its $3 billion consumer electronics business, largely gained from the purchase of RCA in 1986. The absence of this unit continues to affect GE revenues this year—down 4% to $17.22 billion in the first half of 1988.

GE's strong earnings performance—up 17% in 1987 and up 16% to $1.56 billion in the first six months of 1988—continues to be fueled by strong results from three of GE's 10 divisions: broadcasting, financial services and plastics.

In this report, GE is not credited with 1987 ad spending for RCA consumer products sold in the Thomson deal. Divested RCA business contributed about $26 million in measured spending in 1986.

GE's restructuring is dictated by Mr. Welch's desire to have dominant market shares in the company's respective businesses. If they are not dominant, he sells them.

The strategy has meant hectic activity in 1988, particularly on the acquisition and divestiture front. This June, GE agreed to buy Borg-Warner's plastics division for $2.3 billion. B-W is the largest producer of ABS resins, which are plastics used for computers, appliances and car interiors. GE did not market this product.

To bolster its growing financial services area, GE in March purchased Montgomery Ward's credit card operation for $1 billion, plus the assumption of $1.8 billion in debt.

Also in a hostile takeover battle against Whirlpool Corp., GE purchased in March for $507.6 million Roper Corp., a Benton Harbor, Mich. manufacturer of kitchen ranges and rider lawn mowers. GE has been in the process of upgrading its appliance business, which contributed 11.4% of the company's revenues in 1987. The business is regarded as a big cash generator, allowing GE to invest in other areas. GE spent $19.9 million on major appliances (GE and Hotpoint lines) in 1987, down 28.2% from 1986, according to BAR/LNA.

There have been a few major divestitures in 1988, but none to rival the giant spin-off of GE's consumer electronic division in December 1987. GE sold its consumer electronics business to Thomson, but in the same transaction acquired Thomson's medical equipment division, CGR, which had sales in 1987 of about $800 million.

In 1988, RCA Global Communications was sold for $160 million to MCI Communications. RCA Globcom, as the business is known, is in international telex and

Top 25 spot TV advertisers

Rank	Advertiser	Spot TV expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**PepsiCo Inc.**	$271,069	$256,521	5.7	38.5
2	**Procter & Gamble Co.**	238,049	233,212	2.1	17.2
3	**General Mills**	137,028	127,099	7.8	23.9
4	**McDonald's Corp.**	129,010	128,180	0.6	19.9
5	**Pillsbury Co.**	118,776	125,218	(5.1)	25.1
6	**Philip Morris Cos.**	111,888	133,724	(16.3)	7.2
7	**General Motors Corp.**	103,522	49,201	110.4	10.1
8	**Anheuser-Busch Cos.**	83,767	97,999	(14.5)	13.2
9	**Chrysler Corp.**	82,836	67,309	23.1	14.6
10	**Hyundai Group**	76,487	46,144	65.8	46.5
11	**Hasbro Inc.**	72,148	72,300	(0.2)	53.7
12	**Coca-Cola Co.**	71,061	82,993	(14.4)	19.5
13	**Kraft Inc.**	67,914	74,694	(9.1)	16.9
14	**Toyota Motor Corp.**	66,294	90,292	(26.6)	25.7
15	**Kellogg Co.**	61,925	47,352	30.8	11.8
16	**Unilever N.V.**	58,017	57,322	1.2	10.0
17	**Time Inc.**	55,853	55,054	1.5	28.4
18	**Walt Disney Co.**	54,402	42,684	27.5	21.8
19	**Ford Motor Co.**	50,292	55,821	(9.9)	7.9
20	**Nestle S.A.**	48,924	41,018	19.3	14.4
21	**Kroger Co.**	44,639	39,743	12.3	38.7
22	**Nissan Motor Co. Ltd.**	43,593	44,426	(1.9)	24.0
23	**IC Industries**	43,447	41,756	4.0	25.7
24	**Imasco Ltd.**	43,346	32,761	32.3	54.0
25	**Warner-Lambert Co.**	41,682	39,259	6.2	7.5

Source: Broadcast Advertisers Reports as reported in BAR/LNA reports. **Note:** Dollars are in thousands.

high speed data transmission. The NBC radio network and the NBC-owned-and-operated radio stations also have been sold. Radio had been a poor performer for some time at NBC. The o&o stations, which produced cash flow of $11 million and revenues of $51 million in 1983, had dropped to $261,000 cash flow on revenues of $47 million in 1987.

At midyear 1987, NBC sold its network operations to Westwood One Inc., Los Angeles. Then this February, it sold five o&o stations to Indianapolis-based Emmis Broadcasting for $122 million. Stations included WNBC-AM and WYNY-FM, New York; WJIB-FM, Boston; WKQX-FM, Chicago and KYUU-FM, San Francisco. Later, WKYS-FM, Washington, went to Albimar Communications Limited Partnership, Washington, for $45 million. KNBR-AM, San Francisco, NBC's only remaining radio property, is expected to be sold by year's end.

NBC purchased in late 1987 WTVJ-TV, the CBS Miami affiliate. NBC has seven o&o station.

NBC spent $28.9 million advertising itself in 1987, up 14.2% from 1986. Most NBC advertising is in magazines. During a year when the three major networks lost 9% of their viewers, NBC still turned in a strong showing. NBC had an average prime-time 16.1 rating and a 26 share, down from the year before but still strong enough for a first-place finish for the third year in a row among the three networks. NBC continued to rank third in daytime ratings and evening news ratings. In the news division Larry Grossman, news president, was ousted and replaced by newspaper editor Michael Gartner.

The major networks were stymied by a 23-week-long strike by the Writers Guild of America, which froze TV production from March to August, totally disrupting production for the fall season.

NBC was beneficiary of an extremely strong upfront, or advance, sales buying period this summer. The network took in $1.4 billion in total prime-time sales. The three-network marketplace totaled about $3.2 billion, a record.

NBC also announced the formation of a new cable television unit, NBC Cable, to be headed by Tom Rogers. The first project from NBC Cable will be "CNBC," or Consumer News and Business Channel. The cable network channel is slated to premiere early next year.

In sports, NBC lost the Rose Bowl to ABC. But the big event was the Olympics. NBC had closed roughly $550 million in gross sales by late summer. Unlike ABC's Winter games, NBC expects big profits from the telecast of the Seoul games.

The ultimate paean to the RCA name—the RCA Building in New York—was renamed the "GE Building" this year, capping a long and controversial search for new NBC headquarters. NBC had considered moving to Secaucus, N.J., but remained in New York after securing substantial city real estate tax abatements.

GENERAL ELECTRIC CO.
3135 Easton Turnpike
Fairfield, Conn. 06431
(203) 373-2211

Marketing personnel: Richard A. Costello, mgr—corp mktg comm; Barbara J. Parsky, mgr-corp adv; Victor H. Alcott, mgr-GE Appliances adv; Roger R. Waters, mgr-GE Lighting adv; Barton D. Ladd, vp-GE Capital adv.

Brands/services by agency of record:

Brand image
Corp adv
Major appliances
Lighting

Ad agency: BBDO, New York: Dennis Visich, exec vp.

■

GE Capital

Ad agency: Jordan, McGrath, Case & Taylor, New York: Jack Taylor, exec vp.

NBC Entertainment
New York

Marketing personnel: John D. Miller, vp-adv & promo; Tim Miller, vp-adv & promo, east coast; Paul Wang, vp-program & media planning; John Luma, vp-on air promo; Marla Goldstein, dir-media planning, adv & promo; Martha Stanville, vp-affiliate adv & promo svcs; Jenness Brewer, vp-print production.

Brands/services by agency of record:

NBC Entertainment

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles: Jim Helin, mng dir-west coast operations; John Amistad, sr vp-exec creative dir.

RANK
13

General Mills
Minneapolis
ADVERTISING: **$ 572.2** MILLION

Sales & earnings
($ in millions)

Worldwide	**1988**	**1987**	**% chg**
Sales	5,179	4,699	10.2
Earnings	265	208	27.4
Division sales	**1988**	**1987**	**% chg**
Consumer foods	3,753	3,450	8.8
Restaurants	1,426	1,249	14.2

U.S. advertising by media
($ in thousands)

Media	**1987**	**1986**	**% chg**
Newspaper	501	705	(29.0)
Business pub	1,398	1,109	26.1
Magazine	19,983	23,066	(13.4)
Newsp supp	207	370	(44.0)
Outdoor	877	334	162.5
Network TV	133,724	130,140	2.8
Spot TV	137,028	127,099	7.8
Network cable	18,582	15,538	19.6
Network radio	2,873	2,967	(3.2)
Spot radio	1,060	3,107	(65.9)
Measured	316,233	304,436	3.9
Unmeasured	256,000	246,000	4.1
Total	572,233	550,436	4.0

General Mills, the nation's No. 2 marketer of ready-to-eat cereal, increased its ad spending only nominally in 1987 as its pound and dollar shares of the $5.3 billion cereal market dipped five-tenths of 1% to 20.7% and 23.6%, respectively.

In May 1988, the company sold its last specialty retail units—Talbots and Eddie Bauer—for a total of $585 million, to focus on its food and restaurant business. Fiscal 1988 revenues for continuing operations rose 10.2% to $5.18 billion and earnings rose a healthy 27.4% to $265.4 million.

Ten-media measured spending in calendar 1987 totaled $316.5 million, basically even with 1986 levels. Adding estimated unmeasured spending of $256 million, which includes all sales promotion and direct marketing, AA projects total 1987 spending of $572.2 million, up slightly from $550.4 million in 1986.

General Mills reports "media advertising" spending for fiscal 1988, ending May 28, of $345.9 million, up a modest 4.8% from fiscal 1987. General Mills also reported spending $100 million more in advertising and promotion than in fiscal 1987. A company spokesman said the increase was a mix of media and sales promotion, mostly for cereal products.

Spending for network and spot TV rose 5.2% in 1987 to $270.8 million, compared to rival Kellogg Co.'s 40% increase in network and spot TV spending to $301 million, according to BAR/LNA.

Timothy Ramey, a food industry analyst for County Securities, New York, said General Mills lost ground to Kellogg, the nation's No. 1 cereal marketer. Mr. Ramey noted General Mills increased its cereal pound volume by 1.2% for the year ending May 1, compared to Kellogg's volume increase of 4.9%.

According to statistics from Wheat First Securities, Richmond, Va., General Mills placed two cereals among the top 10 selling brands in pound and dollar volume—No. 3 Cheerios with 4.6% and 4.9% of market share, respectively, and No. 9 Honey Nut Cheerios, with 2.9% and 3.2% of the market. Cheerios received the most measured spending of any General Mills cereal—$31.4 million in 1987, down from $32.8 million in 1986. Both Honey Nut and regular Cheerios basically split the measured total.

Wheat First s figures, for calendar 1987, showed a widening gap in pound and dollar share between General Mills and Kellogg. Kellogg holds market shares of 42.5% in pounds and 42% in dollars. It markets five of 1987's top 10 cereals. General Mills claims 20.7% and 23.6%.

Cash rich from the sale of Talbots to Japanese retailer JUSCO Co. Ltd. for $325 million and Eddie Bauer to Spiegel Inc. for $260 million, General Mills has budgeted $1.2 billion for capital projects over the next three years. Of that total, $550 million is earmarked for a new cereal plant in Covington, Ga., and expansion of Red Lobster in the U.S. and Canada; $150 million for flour and baking mix businesses and $500 million for "major growth businesses," including the Olive Garden Italian restaurant chain, Yoplait yogurt and Gorton frozen fish products.

Sales of consumer foods, General Mills' largest unit, grew 9% in fiscal 1988 to $3.75 billion, led by Big G cereals and successful new products, including Raisin Nut Bran and Total Oatmeal. Designed to break Quaker Oats' stranglehold on the $500 hot cereal segment, Total Oatmeal commands a 12% dollar share of the instant oatmeal market after its summer 1987 introduction. Total got $4.3 million in measured spending in its first year on the market, compared with Quaker's $11.1 million expenditure for Quaker Instant Oatmeal.

Overall, Big G introduced several ready-to-eat cereals nationally in 1987. Clusters is General Mills offering in the growing adult breakfast cereals. "General Mills is going right after that same niche where Kellogg is," said Mr. Ramey, noting Kellogg's 1987 introduction of Mueslix, a European-style mixture of grains, fruits and nuts and other cereals catering to health-conscious adults. General Mills spent $4.8 million in measured spending on Clusters while Kellogg was backing Mueslix with $7.1 million. Ice Cream Cone cereal received $9.8 million in measured spending in its introductory year, according to BAR/LNA.

Among other General Mills adult cereal offerings, Raisin Nut Bran, drew $8.2 million, about the same as in 1986; Fiber One pulled $4.8 million, down from $5.1 million in 1986; Total received $14.2 million, up 3.6% from 1986; and for its first year on the market, Oatmeal Raisin Crisp cereal received $7 million.

General Mills held a dominant 75% share of the $140 million add-meat dinner segment with its line of Betty Crocker Helper products; an 80% share in the $115 million baking mix segment with Bisquick; a 42% share of the $190 million family flour market with Gold Medal flour, and a 26% share of the $960 million retail frozen fish segment with Gorton's. Gorton's drew $7.9 million in measured spending in 1987, up from $3.9 million in 1986.

The Betty Crocker line drew $46.3 million in 1987, about the same as 1986, according to BAR/LNA. Getting the biggest year-to-year boost were the Betty Crocker Suddenly Salad Mixes, which received only $346,700 in introductory 1986 but $9.1 million in 1987. Betty Crocker Hamburger Helper Dinners continued to receive heavy measured advertising with $8.3 million in 1987, up 19% from the prior year.

General Mills held solid No. 2 market positions in the $1.1 billion yogurt market with Yoplait brand yogurt (17%), up 1% from 1986 and the $362 million microwave popcorn market with Pop Secret (24%). Pop Secret drew $7.8 million in measured advertising, down 24%. Yoplait received $20.3 million, up from $12.5 million in 1986. The major shift in Yoplait was with its soft frozen dessert, a product that drew $4.7 million in 1987 but little in 1986.

In fiscal 1988, General Mills introduced more than 30 Betty Crocker products including a line of MicroRave cake mixes, which the company claims has taken the lead over Pillsbury in market share. In early 1988, General Mills entered the $400 million single-serving, fruit-drink market with Squeezit, a four-flavor line of fruit drinks in squeezable plastic bottles available in West Coast markets.

Restaurant sales grew to a record $1.43 billion in fiscal 1988, paced by the rapidly-expanding Red Lobster chain of seafood restaurants and rollout of the Olive Garden chain. Red Lobster is heavily advertised. In 1987, it drew $47.5 million in measured spending, mostly network and spot TV, a substantial increase over $36.8 million spent on the chain in 1986.

Restaurant profits fell 4% after disappointing performances by Leeann Chin's Chinese and York restaurants. General Mills sold Leeann Chin's to its former owners in early 1988. The future of York's, a chain of 100 self-service restaurants, is being "reassessed," according to a company spokesman.

Red Lobster plans to open 42 new units in East Coast markets and in revamped Seafood Broiler restaurants in California by mid-1989. By that time, Red Lobster International plans to add 10 restaurants in Canada and 15 in Tokyo. The Olive Garden added 40 restaurants during fiscal 1988 and is in 37 markets in 14 states. Fifty new Olive Gardens are slated for fiscal 1989 in established and new markets, including Minneapolis.

General Mills' temporarily suspended in mid-September 1988 its home-delivery concept under test in Minneapolis, called The Order Inn. Management realignment was given as the reason for the suspension, which came a year after General Mills began the service. The service, covering southwest Minneapolis and nearby suburbs, was backed with monthly direct-mailed menus picturing the Inn's refrigerated, microwaveable entrees, sandwiches and other dishes. This July, a :30 TV spot via Grey, New York, was aired.

After the Talbots sale, General Mills no longer works with Hill, Holliday, Connors, Cosmopulos, Boston. And last November, the company shifted the assignment for Fruit Wrinkles, Roll-Ups and Swirl Bars to Saatchi & Saatchi/DFS Compton, New York, from DDB Needham, Chicago, effective March 1. Measured spending for the line of fruit snacks fell 13% to $17.6 million in 1987 amid heavy competition.

Also in 1987, David Waters, president of General Mills' specialty retailing group, left the company before the sale of Talbots and Eddie Bauer.

GENERAL MILLS
9200 Wayzata Blvd.
Minneapolis, Minn. 55440
(612) 540-2311

Corporate personnel: H. Brewster Atwater, chmn-ceo; Mark Willes, president; F. Caleb Blodgett, vice-chmn, cfo; Arthur Schulze, president-grocery prods; Steven M. Rothschild, president-convenience & intl foods; Joe R. Lee, president-General Mills Restaurants; David Murphy, vp-genl mgr, mktg svcs.

Marketing personnel: Robert J. Blake, dir-adv svcs, consumer foods; Hal H. Nitch, dir-media svcs, consumer foods; Lon W. Bencini, dir-media planning, consumer foods; Richard J. Hosfield, mgr-broadcast, print media, consumer foods.

Brands/services by agency of record:

Grocery
Military

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Eric Forslin, vp-acct super.

■

Cinnamon Toast Crunch
Crispy Wheats 'n Raisins
Golden Grahams
Oatmeal Raisin Crisp
S'mores Grahams
Nature Valley prods
Betty Crocker potatoes
Pop Secret
Suddenly Salad
New prods

Ad agency: Campbell-Mithun-Esty, Minneapolis: Madeline Betsch, Howard Liszt, exec vps-client svcs; Don Kvam, vp-mgmt super (Betty Crocker), Mark Jenson, acct super (Betty Crocker); Les Mouser, mgmt super (Nature Valley); Roxann Goertz, acct super (Nature Valley); Rich Rosengren, mgmt super (Big G). Kate Richardson, Roman Paluta, acct supers (Big G).

■

Betty Crocker dessert mixes
Bisquick
New main meals
New instant meals
Bac-Os
Wheaties
Hamburger, Chicken & Tuna Helper
Yoplait yogurt brands
Oriental Classics

Ad agency: DDB Needham Worldwide, Chicago: Alan Alexander, mgmt rep (Betty Crocker, Yoplait); Bob Klein, mgmt rep (Big G); Kirk Borland, group acct dir.

■

Red Lobster Inns
York's Choice
Olive Garden
The Order Inn

Ad agency: Grey Advertising, New York: Stew Hegleman, exec vp-mgmt rep.

■

Gorton fish
Market Fresh

Ad agency: Laurence, Charles, Free & Lawson, New York: Pam Schreiber, acct exec.

■

Food service
Bakery flour

Ad agency: Red Barron Inc., Minnetonka, Minn.: John Justice, mgmt super; Dave Garwood, acct exec.

■

Cheerios
Clusters
Cocoa Puffs
Fiber One
Honey Nut Cheerios
Kix
Lucky Charms
Monsters cereals
Raisin Nut Bran
Total
Total Oatmeal
New prods

Top 25 cable TV advertisers

Rank	Advertiser	Cable TV network expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**Procter & Gamble Co.**	$23,713	$27,597	(14.1)	1.7
2	**Anheuser-Busch Cos.**	22,943	19,487	17.7	3.6
3	**Philip Morris Cos.**	20,522	22,186	(7.5)	1.3
4	**General Mills**	18,582	15,538	19.6	3.2
5	**Time Inc.**	16,412	16,064	2.2	8.3
6	**Mars Inc.**	14,877	17,668	(15.8)	3.9
7	**RJR Nabisco**	14,688	10,105	45.4	1.7
8	**Coca-Cola Co.**	8,766	5,997	46.2	2.4
9	**Thompson Medical Co.**	8,374	1,819	360.3	21.0
10	**Eastman Kodak Co.**	7,989	8,487	(5.9)	1.2
11	**General Motors Corp.**	7,968	7,203	10.6	0.8
12	**Gillette Co.**	7,909	7,738	2.2	7.6
13	**American Home Products Corp.**	7,254	6,821	6.3	1.9
14	**Clorox Co.**	6,894	5,444	26.7	6.8
15	**Chrysler Corp.**	6,684	7,642	(12.5)	1.2
16	**Wm. Wrigley Jr. Co.**	6,680	5,677	17.7	5.9
17	**American Telephone & Telegraph**	6,440	3,191	101.8	1.2
18	**Ford Motor Co.**	6,118	4,748	28.9	1.0
19	**Honda Motor Co. Ltd.**	5,244	5,124	2.3	2.1
20	**Unilever N.V.**	4,865	5,080	(4.2)	0.8
21	**Bristol-Myers Co.**	4,615	5,041	(8.4)	1.3
22	**Canandaigua Wine Co.**	4,581	3,629	26.2	13.1
23	**Kellogg Co.**	4,496	3,072	46.3	0.9
24	**National Rifle Assn. of America**	4,496	2,232	101.4	NA
25	**Wella Corp.**	4,495	1,738	158.6	NA

Source: Broadcast Advertisers Reports as reported by BAR/LNA raports. **Note**: Dollars are in thousands.

Gold Medal flour
Gold Medal whole wheat blend flour
Fruit Roll-Ups
Swirl Bars
Wrinkles

Ad agency: Saatchi & Saatchi DFS Compton, New York: Marion D. Sims, exec mgmt dir, Michael Burns, mgmt supers, Anne Altmaier-Adriance, James Mayer, David Jackson, mgmt supers.

■

Betty Crocker pancake mix
Wheat Hearts hot cereal

Ad agency: Saatchi & Saatchi DFS, San Francisco: Brian Burns, mgmt dir, Charles Skuba, mgmt super.

■

Gorton's seafood-special assignments

Ad agency: Wattenmaker Inc., Cleveland: James S. Wattenmaker, acct mgr.

RANK **3**

General Motors Corp.

Detroit
ADVERTISING **$1.0** BILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	101 782	102 814	(1.0)
Earnings	3 551	2 945	20.6
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	86 422	91 343	(5.4)
Operating income	1 702	3 058	(44.3)
■ *Division sales*	*1987*	*1986*	*% chg*
Automotive	89 891	90 854	(1.1)
Non automotive	6 623	7 493	(11.6)
Defense	7 989	7 761	2.9

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	174 889	146 430	19.4
Business pub	9 658	10 256	(5.8)
Magazine	153 985	129 409	19.0
Newsp supp	7 789	8 268	(5.8)
Farm pub	3 355	2 263	48.3
Outdoor	1 998	2 731	(26.8)
Network TV	272 953	233 786	16.8
Spot TV	103 522	49 201	110.4
Network cable	7 968	7 203	10.6
Network radio	18 906	22 212	(14.9)
Spot radio	34 829	35 153	(0.9)
Measured	789 852	646 912	22.1
Unmeasured	235 000	192 000	22.4
Total	1 024 852	838 912	22.2

General Motors Corp. took its lumps in 1987, as market share dropped significantly and earnings trailed archrival Ford Motor Co. for the second straight year.

The ongoing problems are forcing GM to reassess both its goals and its methods. On the marketing side, the big story is the effort to develop distinct images for the five car divisions, a process that could take several more painstaking years. years.

GM's Saturn Corp. subsidiary made big news in May 1988 when it picked Hal Riney & Partners, San Francisco, as its first agency on an account likely to total $130 million. The selection of Riney, known best for its creative work, demonstrated Saturn's determination to break new ground even before its first model debuts in mid-1990.

GM's 1987 U.S. car sales dropped nearly a million units to 3,728,313, a 20.6% decline from the previous year, and its car market share fell from 41% in 1986 to 36.5% in 1987. GM's share of the combined U.S. car-and-light-truck market fell from 39% to 35%. Worldwide vehicle sales of 7,766,000 were down 9% from the previous year.

The decline in U.S. sales was virtually across the board. Chevrolet car sales were off 12.7%, Pontiac fell 17.4%, Oldsmobile dropped 32.6%, Buick plummeted 27.6% and Cadillac fell 14.1%. On the light-truck side, Chevrolet dropped 4.5%, while GMC posted the only gain, going up 2.2%.

GM implemented a number of accounting changes that helped create the improved bottom line in 1987. In addition, GM's non-automotive units provided much of the earnings punch. General Motors Acceptance Corp. contributed $1.5 billion in profit, while Electronic Data Systems added $323 million and GM Hughes Electronics Corp. kicked in $670 million. Those units provided 70% of GM's net earnings in 1987.

To shore up profitability in its core automotive business, GM has signaled it plans to bring inventories under control even if that means accepting market share at roughly its current level.

At a presentation to securities analysts in April 1988, GM officials said they planned to operate plants at 100% capacity by 1992. That would put a cap on market share, since the company wouldn't have the plant capacity to increase production during an upswing.

But in recent years GM has run its plants higher than consumer demand, creating a glut of vehicles on dealer lots and leading to broad consumer lures that have cut into profits. One report estimated GM would spend $3.3 billion on incentives to stimulate sales in 1988, about $600 million more than last year.

Profits did rise in the first half of 1988, to $2.6 billion on sales of $56.34 billion, compared with adjusted 1987 first-half earnings of $2.29 billion on sales of $52.8 billion. Analysts attributed the rise more to the surprisingly robust market than to better profit margins. Domestic makers also did particularly well in early 1988, because the declining dollar drove up prices for imported cars. Worldwide vehicle factory sales during this same half-year period were 4,234,000, up 2% from the same period the year before. In the U.S., GM's total vehicle sales grew 10.3% to 2,914,067 in the first half, and its share of the combined car-and-light-truck market grew from 34.9% to 35.4%.

GM's biggest marketing problem has been its look-alike models, the result of several divisions selling cars with similar styling built on the same platforms. Thus, the mandate to establish distinct marketing brands involves not only advertising changes, but also closer internal ties between marketing and product development teams.

GM's big increase in ad spending in 1987 is attributable to its attempt to stop its market share slide and to establish divisional identities. Spot TV was the biggest single beneficiary, with GM increasing its spending in that medium 110% as divisions became more active in targeting different models for different geographic regions.

Perhaps the most distinct of the GM divisions is Pontiac, which lived up to its "performance" tag in 1988 when its mid-size Grand Prix coupe took *Motor Trend's* "Domestic Car of the Year" award. Performance plays big in its advertising.

Chevrolet's brand mission is to deliver more-than-expected, up-level features for entry-level buyers. GM's largest division has been given the assignment of wooing more women, more young people and more first-time car buyers.

For the 1988 model year, Chevy continued its award-winning "Heartbeat of America" campaign from the year before for both cars and trucks. The division tried to pump more meaning into "Heartbeat" with more emphasis on product information.

A heated Chevrolet-Ford ad battle over pickup trucks led to a series of look-alike TV spots during the 1988 model year. First, Chevy ads showed a Ford truck, sitting on its tailgate alongside its Chevy competitor, toppling over when the Chevy advantages were listed. A retort from Ford showed the Chevy sinking into a hole in the ground, "proving" that "Ford's standing taller than ever." Others followed as Chevy soared from the hole like a rocket.

Buick's mission is to re-establish itself as the "premium American motorcar," with the emphasis on evoking the sort of contemporary classic image that Brooks Brothers has in clothing.

Buick rolled out two new products, with heavy ad backing, for the 1988 model year. First was the mid-size Regal coupe, which was backed by about $25 million in ad spending in the last quarter of 1987, when it was introduced. The two-seater Reatta was introduced in early 1988 with an estimated $10 million campaign, a significant budget for a low-volume car.

Oldsmobile is attempting to position itself as the inheritor of a reputation for technological innovation. The division kept the theme line, "Oldsmobile quality. Feel it," but at the start of the 1988 model year added the secondary theme, "From the engineers at Oldsmobile," in product-oriented ads that departed from the lifestyle orientation of previous years.

The first new product to fit the new Olds positioning was the Cutlass Supreme, and Olds backed the futuristically-styled, mid-size coupe with an estimated $50 million ad sendoff, beginning in February 1988. The campaign stressed the expressive styling and leading-edge engineering.

Cadillac has been given the mission of re-establishing its mark as "an American standard for the world." For the 1988 model year, TV spots showed confident, middle-aged people pursuing activities such as aerobics, polo, sailing and tennis to battle a perception that Cadillac made cars for sedate, older persons.

Cadillac used a comparative approach to tout its new 4.5-liter, V-8 engine, after United States Auto Club tests showed Cadillac models with the engine outperformed U.S. and European luxury car competitors.

GMC Truck continued its ad theme line, "It's not just a truck any more," in an effort to differentiate its trucks from Chevrolet's models by appealing to a more upscale audience.

Two GM divisions tried co-promotions with other major advertisers in bids to attract new prospects to dealerships.

In the spring of 1987, Chevrolet used a promotion with Procter & Gamble Co. to introduce its Corsica and Beretta compact cars and its new full-size pickup truck, a merchandising program touted as the biggest cross-promotional event ever. Chevrolet gave away 750 vehicles worth $9 million in the game, in which paper keys were placed inside 200 million boxes of seven P&G products. The keys had to be taken to a dealership to determine if they were winners.

Oldsmobile gave away 600 new Cutlass Supreme coupes as part of McDonald's Corp. Monopoly game in the second quarter of 1988. Potential winners also had to visit a dealership. Dealers gave mixed reviews to both promotions, saying that the vast majority of people drawn to showrooms were not legitimate buying prospects.

On the personnel front, Robert Stempel succeeded retiring F. James McDonald as president-COO in September 1987. Mr. Stempel, whose background is in engineering, received generally high marks for his activist style in both controlling costs and developing new products.

In other major moves, John Middlebrook moved from VP-sales, service and marketing for Saturn Corp. to become GM's VP in charge of marketing and product planning in January 1988. Shirley Young, formerly president of Grey Advertising's Grey Strategic Marketing, took on the new post of VP-consumer market development at GM on June 1, 1988.

GENERAL MOTORS CORP.
3044 W. Grand Blvd.
Detroit, Mich. 48202
(313) 556-5000

Corporate personnel: J.W. McNulty, vp-pr; G.H. Pruette Jr., dir-public affairs adv; Hugh Wells, mgr-creative svcs; R.T. Beaman, sr staff asst-public affairs adv.

Brands/services by agency of record:

Corp adv

Ad agency: N W Ayer, Detroit: Robert R. Kingsbury, sr vp-mng dir; Ronald N. Prince, sr vp-mgmt super; Randall Schroeder, sr vp-media dir; R.C. Morrison, Deborah Worrell, vp-acct supers; Catherine Teeple, Debra Jacopelli, sr acct execs.

Chevrolet Motor Division
Warren, Mich.

Marketing personnel: R.D. Burger, genl mgr; R.W. Starr, genl sales & svc mgr, M.H. Erdman, genl mktg mgr; O.K. LeBron, Jr., sales mgr-admin; E.K. Roggenkamp, asst genl sales mgr-field; J.M. Kelley, mktg mgr-trucks; S.D. Avoy, mktg mgr-passenger car; Dannielle K. Colliver, mgr-passenger car adv; C.M. Robins, mgr-truck adv; R.J. Kramer, dir-pr

Brands/services by agency of record:

Chevrolet cars & truck

Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: R.H. Schirmer, exec vp-dir client svcs; Sean K. Fitzpatrick, exec vp, dir-creative svcs; A.J. Hopp, group sr vp, group mgmt super-regional; Jeffrey Seregny, sr vp, group mgmt super, passenger car adv; Frank Fraser, vp, dir-auto mktg; Bradley Tisdale, sr vp, mgmt super-merch (Lintas:Ceco Communications); D.G. Connaughton, sr vp, group mgmt super-truck adv.

Pontiac Motor Division
Pontiac, Mich.

Marketing personnel: J.M. Losh, genl mgr, GM vp; R.A. Dutton, dir-Project 21 implementation; D.A. Hanson, dir-Pontiac mkt & prod planning; K.H. Holbolth, mgr-personnel admin; J.C. Losch, dir-fleet sales; J.D. Murray, dir-mktg; M.A. Grimaldi, div comptroller; D.W. Logie, asst genl sales & svc mgr-dealer customer svcs; E. M. Schlesinger, genl sales & svc mgr; B.L. Warner, chief engineer; H.S. Christie, asst genl sales & svc mgr-central; C.A. Curry, mgr-customer assistance; E.H. Smith, mgr-natl dealer adv; J.J. Orth, mgr-merch; R.W. Hawley, mgr-mktg comm; W.J. O'Neill, dir-pr.

Brands/services by agency of record:

Pontiacs

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Stephen C. Kopcha, exec vp-exec creative dir; John T. Greening, sr vp-dir strategic planning; Charles T. Stannard, sr vp, dir-rsch & mktg; George M. Rogers, sr vp-dir media svcs; Mark Gjovik, sr vp-mgmt super; Mike Valant, vp-group acct super; Art Pepin, acct super; Richard Halladay, sr acct exec; Steve Brown, James Holman, John Miutz, Robert Nicholls, Teresa Reed, Mike Talovich, acct execs; Patricia Brown, acct mgr.

Buick Motor Division
Flint, Mich.

Marketing personnel: E.H. Mertz, vp-genl mgr; R.E. Coletta, genl sales mgr; J.J. Faerber, asst genl sales mgr-southeast; R.J. Adams, asst genl sales mgr-central; W.K. Ramsey, asst genl sales mgr-west; F.H. Dorgin, asst genl sales mgr-northeast; L.D. Robbins, asst genl sales mgr-svc; D.E. Clark, genl mktg mgr; J.W. Qualman, genl dir-adv.

Brands/services by agency of record:

Buicks

Ad agency: McCann-Erickson Worldwide, New York: John J. McNamara, chmn-McCann USA. McCann-Erickson, Troy, Mich.: Gerald C. Atkin, exec vp-genl mgr; James L. Ramsey, sr vp-exec creative dir; W. Brien Schweikart, sr vp-media dir; Jan Wozniak, sr vp, dir-rsch, human resources; Richard A. Hill, sr vp-mgmt rep; Glynn L. Armitage, vp-acct super, adv support; Harold W. Randall, vp-acct super, collateral; Robert Cleary, acct super-natl; Raymond Webb, acct super-regional mktg.

Oldsmobile Division
Lansing, Mich.

Marketing personnel: W.W. Lane, vp, GMC-genl mgr; A.R. Buenz, dir-pr; D.E. Kahti, genl sales & svc mgr; C.E. Strong, asst genl sales & svc mgr; W.E. Christell, genl mktg mgr; R.L. Ross, dir-consumer & field mktg; R.J. Billings, strategic mktg mgr; G.W. Card, adv mgr; J.J. Zubor, dealer mktg mgr.

Brands/services by agency of record:

Oldsmobiles

Ad agency: Leo Burnett Co. of Michigan, Southfield, Mich.: John C. Ryan, exec vp-genl mgr; G. Ted Jordan, sr vp-client svc dir; N.R. Lichtman, vp-acct dir; Joseph P. Henry, vp-media dir; William F. Swink Jr., vp-acct super, merch & promo; Roger W. Bodo, vp-creative dir, Detroit; R.M. Abell, acct dir.

Cadillac Motor Car Division
Detroit, Mich.

Marketing personnel: J.O. Grettenberger, genl mgr; P.R. Gerosa, genl sales & svc mgr; K.W. Pierce, genl dir-admin; C.E. Hendrix, asst genl sales mgr-field; W.R. Lewellen, asst genl sales mgr-svc; Ellie R. Torre, asst genl sales mgr-mktg; P.R. Levin, dir-adv; L.P. Anderson, asst mgr-dealer mktg assoc, east; M.R. LaNeve, asst mgr-shows and exhibits; J.P. Churchvara, asst mgr-dealer mktg assoc, west; F.M. Teach, asst mgr-adv; Sheri J. Perelli, dir-pr.

Brands/services by agency of record:

Cadillacs

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Alexander Morton III, sr vp-mgmt super; George M. Rogers, Jr., sr vp-dir media svcs; John Klinger, vp-group creative dir; John K. Johnson, vp-group acct super; Timothy G. Copacia, acct super.

Saturn Corp.
Troy, Mich.

Marketing personnel: R.G. LeFauve, president, G.D. Briggs, vp-mftg; R.D. Gillum, vp-genl counsel; R.A. Hoalcraft, UAW coordinator; D.W. Hudler, vp-mktg; T.W. Shaver, dir-adv & merch, J.L. Lewandowski, vp-human resources, B.G. MacDonald, vp-corp comm; T.G. Manoff, vp-finance; J.J. Wetzel, vp-engineering.

Tennessee Operations
Spring Hill, Tenn.

Marketing personnel: Laurie Kay, community relations.

Brands/services by agency of record:

Saturn Corp.

Ad agency: Hal Riney & Partners, San Francisco, Calif.: Hal Riney, chmn-ceo.

GMC Truck Division
GM Truck & Bus Group
Pontiac, Mich.

Marketing personnel: Lloyd E. Reuss, exec vp-GMC, head-C-P-C, B-O-C, truck & bus group, E.M. Mutchler, P.J. Coletta, vps-GMC, group dirs; J.D. Rock, genl mgr-GMC truck div; D.A. Brodie, genl sales mgr-GMC truck div; R.A. Rota, asst genl sales mgr, R.M. Lee, dir-mktg; D.C. Huss, dir-pr, Candace M. Robbins, adv & publications mgr, GMC truck div.

Brands/services by agency of record:

GMC Trucks
Bus Group

Ad agency: McCann-Erickson, Troy, Mich.: Gerald C. Atkin, exec vp-genl mgr; Robert F. Gauss, sr vp; Steve Olson, vp-acct super; Martin M. Schemm, acct super; Glenn Sutherland, acct exec; James L. Ramsey, sr vp-exec creative dir; W. Brien Schweikart, sr vp-media dir.

General Motors Parts
Detroit, Mich.

Marketing personnel: J.T. O'Connor, genl sales mgr; E.J. Carey, sales mgr-east; S.D. Segalini, sales mgr-central; E.L. Schreitmueller,

Top 25 network radio advertisers

		Network radio expenditures			as % of co.'s
Rank	**Advertiser**	**1987**	**1986**	**% chg**	**'87 ad total**
1	Sears, Roebuck & Co.	$52,701	$47,658	10.6	5.9
2	Warner-Lambert Co.	24,614	22,707	8.4	4.4
3	Procter & Gamble Co.	23,665	14,289	65.6	1.7
4	Anheuser-Busch Cos.	23,456	16,529	41.9	3.7
5	Bayer AG	20,221	16,206	24.8	13.9
6	Ford Motor Co.	19,766	14,871	32.9	3.1
7	General Motors Corp.	18,906	22,212	(14.9)	1.8
8	Tele Disc	15,758	3,172	396.7	99.2
9	American Telephone & Telegraph	15,004	22,552	(33.5)	2.8
10	Campbell Soup Co.	14,763	5,399	173.4	6.4
11	Cotter & Co.	12,488	10,663	17.1	18.1
12	Schering-Plough Corp.	10,641	11,442	(7.0)	4.3
13	U.S. Government	10,124	8,196	23.5	3.3
14	Dow Jones & Co.	8,951	6,708	33.5	20.5
15	Philip Morris Cos.	8,937	7,750	15.3	0.6
16	Unilever N.V.	8,627	6,607	30.6	1.5
17	Mars Inc.	8,569	4,765	79.8	2.3
18	State Farm Mutual Auto. Ins.	8,267	7,036	17.5	21.4
19	Wm. Wrigley Jr. Co.	8,231	2,578	219.3	7.3
20	K mart Corp.	6,824	6,526	4.6	1.1
21	Dow Chemical Co.	6,423	4,621	39.0	4.7
22	Florists Transworld Delivery	6,141	6,385	(3.8)	18.5
23	Whirlpool Corp.	5,786	7,930	(27.0)	7.5
24	International Business Machines	5,434	7,524	(27.8)	2.3
25	Avis Inc.	5,343	NA	NA	10.7

Source: Broadcast Advertisers Reports as reported by BAR/LNA reports. **Note:** Dollars are in thousands.

sales manager-west; K.F. Robinson, adv mgr; Frank Pardo, mktg mgr.

Brands/services by agency of record:

GM parts

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Theodore Teegarden, exec vp-mgmt super; Charles S. Brandt, vp-group acct super; Scott T. Hayes, vp-acct super; Cheryl Morgan, Suzanne Doyle, Barbara Resinicoff, acct execs; John McLintock, acct mgr.

General Motors Acceptance Corp.
Detroit, Mich.

Corporate personnel: J.R. Edman, chmn; G.R. Samardich, vice chmn; R.M. McCarthy, president.

Marketing personnel: W.J. Lovejoy, group vp-mktg; G.G. Fenner, exec vp-operations; C.A. Krauss Jr., vp-public affairs & adv.

Brands/services by agency of record:

GM Acceptance Corp.

Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp-dir client svcs; Sean Fitzpatrick, exec vp-dir creative svcs; John S. Momeyer, group sr vp; John C. Wattles, sr vp.

General Motors Service Parts Operations
Detroit, Mich.

Marketing personnel: A.M. Long, exec-svc & parts operations; R.J. Sherman, genl dir sales & mktg-US; C.S. Wagner, dir-mktg; D.E. Poole, dir-pr.

AC-Delco
Detroit, Mich.

Marketing personnel: A.H. Schwerzel, genl sales mgr, warehouse distributors; G.S. Cashion, genl sales mgr-natl accts; R.L. Korth, sales mgr-warehouse distributors-west; J.M. McKenzie, sales mgr-warehouse distributors-east; C.A. Lamberton, area sales mgr, natl accts-east; P.D. Cody, area sales mgr-natl accts-west; B.J. Snelson, adv mgr; D.J. Smith, mktg mgr.

Brands/services by agency of record:

AC-Delco parts

Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp-dir-client svcs; Sean K. Fitzpatrick, vice chmn-creative dir; Jeffrey A. Jacobs, sr vp-mgmt super; Robert L. Greer, vp-merch, genl accts; Lori K. Megown, acct super; David G. Woodard, acct exec; Ann Manor, vp-super.

GM Corp. Marketing & Product Planning
Detroit, Mich.

Marketing personnel: J.G. Middlebrook, vp-mktg & prod planning; Phillip Guarascio, exec dir-adv svcs; D.J. Teasdale, dir-adv; H.D. Weed, dir-consumer influence analysis; M.A. Browner, genl dir-media operations; M.J. O'Malley, genl dir-strategic merch & mktg programs; D.P. Bolen, asst adv mgr; M.G. Wright, adv super.

Brands/services by agency of record:

Mktg & prod planning

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Theodore T. Teegarden, exec vp-mgmt super; William A. Mara, vp-acct super; Stephen C. Kopcha, exec vp-creative dir.

RANK
85

Gillette Co.

Boston
ADVERTISING: **$ 103.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,167	2,818	12.4
Earnings	230	181	26.9
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	1,166	1,101	5.9
Operating income	193	138	39.3
■ ***Division sales***	***1987***	***1986***	***% chg***
Blades & razors	1,031	903	14.2
Toiletries	926	854	8.4
Writing instruments	320	298	7.4
Braun	703	567	24.0
Oral-B, misc	183	148	23.6

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	57	436	(86.8)
Business pub	96	186	(48.3)
Magazine	10,579	13,394	(21.0)
Newsp supp	0	44	NA
Outdoor	46	35	31.1
Network TV	29,892	39,452	(24.2)
Spot TV	5,512	8,672	(36.4)
Network cable	7,909	7,738	2.2
Network radio	1,399	237	489.6
Spot radio	340	242	40.4
Measured	55,831	70,437	(20.7)
Unmeasured	48,000	61,000	(21.3)
Total	103,831	131,437	(21.0)

Gillette's most talked-about ad this past year was not anything it ran for a product, but an ad it ran touting management's side in a hotly-contested proxy battle.

In early July, a court ruled that Gillette ran a false and misleading ad during the proxy takeover fight with the Coniston Group, a New York investment group. Shareholders this spring voted 52% of Gillette shares to back management against the Coniston bid.

The Coniston Group's effort was the latest is a seemingly endless string of takeover attempts of Gillette over the past two years. In each case, Gillette management successfully fought off the takeover effort, but it has paid a high price in terms of money and effort. The takeover battles, analysts fear, have distracted Gillette from building its product lines by diverting human and financial resources.

Gillette and Coniston settled their dispute out of court in a surprise move early in August. Gillette agreed to pay Coniston $720 million to buy back its stock. In 1986, Gillette cut a similar deal with Ronald Perelman, paying $549 million to buy back his shares. At that time, Gillette management was accused of succumbing to greenmail. This time the $45 per share price which Coniston is receiving is being made available to all shareholders for a limited time.

"Day-to-day operations haven't been affected, nor has the takeover thing affected the advertising," insists Michael Nadelberg, VP/advertising services. He concedes, however, that there have been some strategic changes in the company's advertising and marketing strategy as a result of a reorganization of Gillette which was spurred by the Perelman takeover attempt.

The reorganization, announced in December 1986 and implemented throughout 1987, resulted in the layoff of several thousand employees and a drastic cost-cutting effort.

Advertising budgets have absorbed their share of the cost cutting. Total advertising spending dropped 21% in 1987 to $103.8 million. Measured media spending, as tracked by BAR/LNA, dropped 20.7% to $55.8 million. This is a U.S. figure only.

According to Gillette, its worldwide spending on advertising, including sampling, was $284 million. It also spent $236 million worldwide on sales promotion in 1987, for a total of $520 million. This compares to $263 million in advertising and $211 million in sales promotion in 1986, for a total increase in worldwide advertising and sales expenditures of $46 million. The combined 1987 figure represents 16.4% of sales, a drop of 0.4% from 1986.

Mr. Nadelberg calls the drop in U.S. media advertising "a short-term" phenomenon that can be attributed to a falloff in brand performance, on which spending is based. He expects media spending to increase in 1988.

Network TV absorbed the [illegible]t drop, 24% to $29.9 million in 19[illegible]tinuing a steady downward trend. M[illegible]zines, which enjoyed a boost in 1986, [illegible]l back 21% to $10.6 million. Cable T[illegible], heavily used by Gillette, increased 2.2% to $7.9 million. Mr. Nadelberg warns about reading too much into yearly shifts in spending. "Most media have been affected by the reduction in spending," he said. For a long-term trend, he said, "there is a basic shift to cable" because the company has recognized the value of CATV in reaching its audience.

As part of the reorganization, Gillette established two operating units, Gillette North Atlantic and Gillette International/Diversified Operations, to replace its three existing units. Gillette North Atlantic includes the company's blade and razor, personal care and stationery products businesses in Europe and North America. Gillette International/Diversified Operations is responsible for the same product lines outside Europe and North America and for Braun, Oral-B and Jarfa.

Gillette's North Atlantic group will focus on the company's traditional product development and marketing in what the company regards as mature, slow growth markets. The International/Diversified group will concentrate on expanding the market for Gillette's traditional products into less-developed geographic areas and capitalizing on the growth potential of Gillette's newer, non-traditional business lines.

In line with the reorganization, Gillette sold the S.T. Dupont group which included luxury writing instruments, and the Misco mail-order computer supplies operation. The company is not abandoning the writing instrument business, though, because it picked up Waterman S.A., a French writing instrument company. The company's Paper Mate division has been bolstered by the performance of two new products, the Flexgrip stick pen and the Metal Roller pen.

Gillette also acquired UNISA, a Chilean manufacturer and marketer of cosmetics and skincare products. In early 1988, the company purchased Antica Erboristeria, an Italian toiletries line.

New personal-care products include Right Guard Sport and Dry Idea for Men, two aerosol and stick deodorant/antiperspirants, and Daisy Plus, a disposable razor for women. The company continues to expand the Plus line of shaving products, which feature a lubricating strip above the blade. The Good News disposable razor is the latest product to add the feature.

The company went through a major agency realignment in 1986 with N W Ayer and BBDO Worldwide coming up the big winners. McCann-Erickson, Chiat Day and Hill, Holliday, Connors, Cosmopulos also have pieces of the Gillette account. Since the agency realignment, Griffin Bacal, New York, picked up Oral-B Muppets Toothpaste and McCann-Erickson picked up the Waterman account and some additional overseas toiletries assignments. No agency reviews or further account realignment currently are planned, said Mr. Nadelberg.

HHCC, which handles some Paper Mate products and Liquid Paper, lost the Good News new product toiletries line, which was canned following poor results after two years of tests on the West Coast.

Gillette ended its relationship with Major League Baseball two years ago and continues to sit out most of the baseball season, but the company will be involved in the playoffs and World Series. Gillette also has turned to professional football and professional and collegiate basketball, including the NCAA Final Four and the NBA championships.

Analysts agree that the wave of takeover attempts probably have subsided and the company can concentrate on its product lines again. Certainly middle and top managers are relieved and no longer are qualifying remarks by adding "if I'm here next year."

GILLETTE CO.
Prudential Tower Bldg.
Boston, Mass. 02199
(617) 421-7000

Advertising Service Division

Marketing personnel: Michael Nadelberg, vp; Thomas A. Lux, media dir; John D. Walp, dir-adv production.

Blade & Razor Division

Marketing personnel: Robert Leger, vp-sales; William Flynn, mktg mgr-disposable systems.

Brands/services by agency of record:

Atra line
Trac II line
Good News line
Daisy line
Microtrac

Ad agency: BBDO, New York: Simon Marlow, exec vp-sr mgmt rep; Michael Paxton, sr vp-mgmt rep; Robert McGreevy, vp-acct super.

Personal Care Division

Marketing personnel: John Darman, dir-mktg, haircare; MaryAnn Pesce, dir-mktg, deodorants, anti-perspirants; Carole Johnson, vp-sales.

Brands/services by agency of record:

Dippity-Do
White Rain
Mink Difference
Toni Home Wave
Right Guard
Silkience

Ad agency: N W Ayer, New York: David Gantman, sr vp-exec acct dir; Marcella Rosem, sr vp-media dir.

■

Soft & Dri
Dry Look
Dry Idea
Brush Plus

Ad agency: BBDO, New York: Joe Barrett, exec vp-sr mgmt dir; Arnie Semsky, exec vp-media dir.

■

Oral B
Ultra toothbrush

Ad agency: BBDO, Los Angeles: Terry Bowman, sr vp-mgmt super; Ron Harrison, sr vp-media dir.

■

Aapri
Deep Magic

Ad agency: Hill, Holliday, Conners, Cosmopulos, Boston: Justin Harrington, sr vp-group acct dir; Kathleen Driscoll, vp-mgmt super; Kim Borman, acct exec; Allison Cross, assoc media dir.

■

Muppets toothpaste

Ad agency: Griffin Bacal, New York: Kristin Tartaglia, acct super; Art Heller, exec vp, dir-media svcs.

■

Symmetry

Ad agency: Roz Rubenstein Advertising, New York: Roz Rubenstein, president.

Stationery Products Division

Marketing personnel: Michelle Stacey, mktg dir; Jim Ricci, prod mgr-Liquid Paper, Computer Care, mechanical pencils; Scott Searle, sr prod mgr-stick pens, Eraser Mate II, Flex Grip; Danene Jaffe, prod mgr-Waterman pens.

Brands/services by agency of record:

Paper Mate
Waterman writing instruments

Ad agency: McCann-Erickson, New York: David Weiss, vp, group head-acct dir; David Edelberg, vp-acct super; Dale Seiffer, acct exec; Stan Weinstein, vp-media group dir.

■

Liquid Paper
Computer Care office prods

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston: Justin Harrington, group dir; Kathleen Driscoll, mgmt super; Kim Borman, acct exec; Allison Cross.

RANK
90

Goodyear Tire & Rubber Co.

Akron, Ohio
ADVERTISING: **$ 95.0** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	9,905	9,040	9.6
Earnings	771	124	521.8
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	5,908	5,590	5.7
■ ***Division sales***	***1987***	***1986***	***% chg***
Tires	8,567	7,884	8.7
Industr rubber	1,246	1,136	9.7
Oil & Gas	NA	63	NA
Other	93	60	55.0

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	NA	65	NA
Business pub	1,197	2,310	(48.2)
Magazine	3,781	10,750	(64.8)
Newsp supp	0	125	NA
Farm pub	855	785	8.9
Outdoor	120	438	(72.7)
Network TV	14,150	17,825	(20.6)
Spot TV	14,828	8,225	80.3
Network cable	307	741	(58.6)
Network radio	2,198	8,214	(73.2)
Spot radio	592	494	19.8
Measured	38,027	49,972	(23.9)
Unmeasured	57,000	75,000	(24.0)
Total	95,027	124,972	(24.0)

Goodyear Tire & Rubber Co.'s ad expenditures decreased in 1987 as part of a corporate-wide restructuring program, a move precipitated by a 1986 hostile takeover attempt by Sir James Goldsmith. Fighting off that attempt cost Goodyear more than $620 million.

The animus resulting from its own takeover battle led Goodyear to threaten the removal of its $25 million domestic tire account from J. Walter Thompson if the British-based WPP Group succeeded in its unfriendly takeover of JWT Group, parent of the agency. When WPP succeeded early this year, the bulk of the account was moved to Young & Rubicam.

Goodyear kept only its high-performance tire account with J. Walter Thompson, Detroit. In April, JWT was dealt a further blow when Toronto-based Goodyear Canada shifted its $10 million tire account from JWT to Foster Advertising.

Despite the account switch, Goodyear retained its international "Goodyear, Take Me Home" theme, citing its beneficial impact on passenger car tire sales. At year's end, Goodyear controlled 33% of the domestic tire market.

As part of the restructuring, Goodyear sold its motor wheel division, its aerospace unit and its Arizona resort properties in late 1986 and early 1987, for a combined total of $984 million.

By the end of 1987, Goodyear had further divested Celeron energy subsidiary, selling 6.5% of Celeron's oil and gas reserves to IP Petroleum Co., a subsidiary of International Paper Co., for $70 million, and the remainder of the reserves, as well as all of Celeron's stock, to Exxon for $615 million. The sale of Celeron came hard on the heels of the energy company's completion of a $1 billion California-to-Texas crude oil pipeline.

While selling off those holdings, Goodyear stepped up efforts to increase its share of the auto service market (projected to top $80 billion this year). By offering computer-enhanced services in all of its company-owned locations throughout the U.S. and Canada, as well as at nearly

Top 25 spot radio advertisers

Rank	Advertiser	Spot radio expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	**Anheuser-Busch Cos.**	$43,550	$50,420	(13.6)	6.9
2	**General Motors Corp.**	34,829	35,153	(0.9)	3.4
3	**Philip Morris Cos.**	29,489	4,502	555.0	1.9
4	**Sears, Roebuck & Co.**	21,211	21,928	(3.3)	2.4
5	**PepsiCo Inc.**	19,766	22,342	(11.5)	2.8
6	**Delta Air Lines**	19,671	21,708	(9.4)	18.1
7	**Southland Corp.**	18,317	19,962	(8.2)	21.3
8	**Chrysler Corp.**	17,345	21,071	(17.7)	3.0
9	**Pillsbury Co.**	16,366	18,178	(10.0)	3.5
10	**AMR Corp.**	16,106	14,390	11.9	10.6
11	**Texas Air Corp.**	15,604	18,146	(14.0)	12.5
12	**Ford Motor Co.**	14,861	17,610	(15.6)	2.3
13	**Walt Disney Co.**	14,770	2,537	482.2	5.9
14	**Melville Corp.**	13,777	6,407	115.0	28.4
15	**BellSouth Corp.**	13,291	11,376	16.8	16.2
16	**Coca-Cola Co.**	13,051	16,608	(21.4)	3.6
17	**Bell Atlantic Corp.**	11,281	6,542	72.4	8.1
18	**Bond Corp. Holdings**	10,756	5,880	82.9	21.3
19	**Van Munching**	10,660	18,670	(42.9)	39.0
20	**Adolph Coors Co.**	10,073	7,637	31.9	7.0
21	**Capital Cities/ABC**	9,182	7,982	15.0	14.1
22	**U.S. Government**	8,844	9,725	(9.1)	2.9
23	**RJR Nabisco**	8,788	9,286	(5.4)	1.0
24	**U.S. West**	8,639	6,149	40.5	13.3
25	**Geo. A. Hormel & Co.**	8,119	11,684	(30.5)	16.5

Source: Radio Expenditure Reports. **Note:** Dollars are in thousands.

1,000 dealerships, Goodyear intended to improve both the quality of service and the quantity of repeat business.

With increased emphasis on auto service, Goodyear probably will increase ad expenditures for its service centers this year. Due to cost containment measures, last year's figures dropped sharply, down from $9.5 million in 1986 to $4.3 million. To promote its Certified Auto Service program, Goodyear and Akron-based Malone Advertising developed a new print, broadcast and direct-marketing campaign featuring the work of *The New Yorker* cartoonist George Booth.

Overall Goodyear's spending in ten measured media declined from $50 million in 1986 to $38 million, mostly from belt-tightening. The only media in which spending increased appreciably in 1987 was spot TV, up 80% to $14.8 million. The biggest decline was in magazines which plummeted from nearly $11 million in 1986 to $3.8 million in 1987.

However, reduced advertising didn't hurt Goodyear's bottom line. According to Dun & Bradstreet reports on the tire industry, domestic sales rose 8.3% in 1987, while foreign sales rose 4.1%. Those industry-wide increases were reflected in Goodyear's end-of-the-year figures: In total, the company's tire sales increased 9.2%, topping $9.9 billion.

Earlier this year company officials announced plans to build new tire plants in Ontario and South Korea with an eye towards improving radial tire production ca-[illegible]. Such moves are in keeping with Goodyear chairman Robert E. Mercer's point that, to compete effectively in the tire industry, a company has to be a global player. Forced to revamp its diversification plans, Goodyear is now looking to flex its corporate muscles in areas where it has long been a force to reckon with.

GOODYEAR TIRE & RUBBER CO.
1144 E. Market St.
Akron, Ohio 44136
(216) 796-2121

Marketing personnel: James K. DeVoe, vp-mkt planning & rsch; Robert L. Gray, dir-prod adv; Davis M. Jones, dir-retail adv; Ed D. Easley, mgr-creative svcs; James N. Neawedde, mgr-adv, auto tires; Norbert J. Drol, mgr-adv, truck & farm tires; Paul F. Suloff, adv mgr-perf tires; James R. Pascover, adv mgr-retail stores, George S. Drop, mgr-major mkt programs; James T. Manning, mgr-adv, genl prods; William L. Newkirk, vp-pr; Leonard B. Elms, dir-corp image adv.

Brands/services by agency of record:

General prods
Retail adv

Ad agency: Malone Advertising, Akron, Ohio: Robert L. Haverback, vp-mgmt super; Scott Earhart, acct exec; Joseph A. Mazzagotti, vp-gmt super; Donna Hessel, acct exec; Ira Bass, vp-media dir.

■

Eagle brand genl adv
Eagle high-performance tires
Goodyear Wrangler tires
Race enthusiast adv

Ad agency: J. Walter Thompson, USA, Detroit: Richard A. Smith, sr vp-mgmt dir; Austin C. Craig, vp-mgmt super; Pamela Csatari, acct super.

■

Broad mkt tires
Certified Auto Service
Commercial truck tires
Farm tires
Light truck tires

Ad agency: Young & Rubicam, Detroit: Charles Riley, sr vp-group dir; George Bak, vp-mgmt super.

RANK
40

Grand Metropolitan PLC

London, U.K.
ADVERTISING: **$ 231.6** MILLION

Sales & earnings

($ in millions)

Worldwide	*1987*	*1986*	*% chg*
Sales	8,994	8,341	7.8
Earnings	816	768	6.2
U.S.	*1987*	*1986*	*% chg*
Sales	2,712	2,469	9.8
Operating income	292	225	30.1
Division sales	*1987*	*1986*	*% chg*
Consumer prods	1,002	982	2.0
Paddington, Carillon	865	NA	NA
Heublein	845	NA	NA

U.S. advertising by media

($ in thousands)

Media	*1987*	*1986*	*% chg*
Newspaper	6,234	3,850	61.9
Business pub	519	6	8,841.4
Magazine	50,696	48,707	4.1
Newsp supp	2,703	2,325	16.3
Outdoor	5,696	7,758	(26.6)
Network TV	15,935	24,665	(35.4)
Spot TV	25,790	20,477	25.9
Network cable	1,002	941	6.5
Network radio	0	8	NA
Spot radio	0	320	NA
Measured	108,574	109,055	(0.4)
Unmeasured	123,000	123,000	0.0
Total	231,574	232,055	(0.2)

Grand Metropolitan continues to hone its portfolio of U.S. holdings, while making strategic acquisitions like the $1.3 billion acquisition in 1987 of Heublein and Almaden from RJR Nabisco, and two smaller ones relating to its spirits and pet foods businesses.

At the same time, Grand Met sold its lagging child care, home healthcare and fitness products divisions. Then this year, it announced the sale of its soft drink bottling businesses and proposed the sale of the U.S. based Inter-Continental Hotels.

The U.S. operations of the London conglomerate now include wine and spirits businesses, pet foods and retail eyecare. In fiscal year 1987, ended September 30, 1987, these businesses accounted for $2.7 billion in worldwide sales, or 31.1%, up from 30.5% in 1986. Net income generated from U.S. operations of $292 million, contributed 32.4% of the worldwide total, up from 30% in fiscal 1986.

Grand Metropolitan Inc., Montvale, N.J., includes Alpo Petfoods and Pearle Health Services. Dollar profits of these continuing businesses increased by 23% with Pearle showing a 40% profit growth. Overall profit of the division climbed 15.3% to $107 million, including figures from businesses which have been sold.

International Distillers and Vintners, the international wine and spirits operation of Grand Metropolitan, with offices in Fort Lee, N.J., includes the operations of Paddington Corp., Carillon Importers, Heublein, Almaden Wines and Traditional Beer Importing Co. in the U.S. Worldwide, IDV had sales of close to $2.8 billion. Of that total, Heublein Inc. contributed $845 million in sales and $94 million in profit for the six months it was part of IDV.

The acquisition of Heublein and Almaden adds considerable force to IDV's U.S. marketing effort. The move brings such top-selling brands as Smirnoff, Popov and Finlandia vodka, Black Velvet whiskey and Jose Cuervo tequila. In late 1987, IDV also acquired 16.8% equity interest in Martell. It continues in a battle with Seagram's for the distribution and marketing rights to the cognac.

IDV now markets six of the 33 liquor brands with more than one million cases in U.S. sales, according to market analyst John C. Maxwell Jr. of Wheat First Securities, Richmond, Va.

Two brands, Absolut vodka and Jose Cuervo tequila, showed the largest percentages of growth of the top brands tracked by Mr. Maxwell. What's more, IDV now has a strong position in the few segments of the liquor market which have shown growth—vodka and brandy imports. Its leader is Smirnoff, the No. 2 liquor in the country, with 4.05 million case depletion, up 3.2%. Absolut vodka increased depletions to 1.4 million cases, up 27.3%; Finlandia showed growth of 7.1%. Heublein's Jose Cuervo tequila, possibly spurred on by the popularity of Mexican food, had a 14.9% increase to 1.59 million cases.

Other top-selling IDV brands include Heublein's Black Velvet with 2.075 million cases depleted, up 3% and Paddington's J&B Rare, up 5% to 1.995 million cases.

Heublein's wine business is the fourth largest in the U.S. by sales volume with 28.4 million gallons for a 4.9% market share. It trails E&J Gallo, Vintners International and Canandaigua in that order. Heublein showed a dramatic 39.9% increase over 1986 numbers, and moved up from sixth place. Almaden is ranked sixth with 22.4 million gallons in consumption, and a 3.9% market share. This represents a 7.8% decrease from 1986 levels of 24.3 million gallons and a 4.2% market share.

The biggest spender of the IDV brands was Heublein's Smirnoff vodka with $8.2 million in measured spending as charted by BAR/LNA. This is 16.4% above RJR's spending in 1986. Paddington's J&B scotch was second with $7.6 million, up 44%; following by Carillon's Absolut vodka with $6 million, up 30.7% and Grand Marnier up 36% to $5.1 million.

Tequila was promoted with $4.1 million in spending for Cuervo Especial, up 80%, and $4.2 million for Jose Cuervo, up 14%. Spending declined 16.6% on Baileys Irish Cream to $4.1 million.

Wine spending was topped by Almaden with $1.7 million in measured media; followed by Lancers with $1.2 million and Inglenook with $633,000.

In 1987, Paddington spread its advertising accounts among a stable of small shops. The big winner was Berenter, Greenhouse & Webster, which was awarded Baileys Original Irish Cream and Malibu rum liqueur. Rumple Minz peppermint schnapps went to Geer, Dubois.

Alpo, the share leader in canned dog food, showed strong increases in 1986, according to figures from Mr. Maxwell. Alpo canned dog food outdistanced the competition with $245 million in sales, up 6.5%, ahead of second place Kal Kan with $140 million. Alpo canned puppy food was 14th in sales with $8.2 million followed by the newly-acquired Blue Mountain with $8 million. Alpo's dry dog food is 4th in sales with $102 million, far behind leader Ralston-Purina's Dog Chow at $250 million and Puppy Chow and Gaines' Gravy Train.

The 1987 measured ad spending for all Alpo brands dropped by 30.6% to a total of $16.8 million. Spending increased slightly for Alpo canned food up 3% to $6.7 million, while spending for canned & dry puppy food dropped 40% to $3.1 million.

To help boost Alpo's national support, Grand Metropolitan purchased Jim Dandy, a popular brand of dog food in the Southeastern U.S., for $25 million from Savannah Foods & Industries.

Spending in support of Pearle Vision Centers rose 9% to $18 million. Further ad hikes were expected for 1988, bringing the division's media spending to $25 million. Pearle holds 4.4% of the $11.2 billion optical market, and 16% share of the chain-store category.

In July 1988, Grand Metropolitan announced that it had sold its soft drink bottling businesses, Pepsi-Cola San Joaquin Bottling Co. of Fresno, Calif. and Atlantic Soft Drink Co., Columbia, S.C. because it did not own the brand and could not direct its place in the market. One month later, it said that negotiations were under way to sell its 100-hotel Inter-Continental Hotels Corp. which has increased dramatically in value in the last few years, according to Grand Metropolitan. The chain was recently valued at $1.96 billion. Offers from several buyers were being considered as the company said it wanted to use proceeds from the sale to pursue core businesses of drinks, food and retailing.

GRAND METROPOLITAN P.L.C.
11-12 Hanover Square
London W1A 1DP

Grand Metropolitan
100 Paragon Dr.
Montvale, N.J. 07645
(201) 573-4000

Corporate personnel: Ian A. Martin, chmn; P.S. Walsh, exec vp-cfo; J.H. Chandler, exec vp-legal, personnel, external affairs; J.H. Gross Sr., vp-legal & secretary; R.C. Mitchell, vp-corp finance & treasurer; M.E. Carroll, vp-external affairs; Joseph Pollack, vp-taxes; P.E. Phillips Jr., controller.

Alpo Pet Foods
Allentown, Pa.

Corporate personnel: Joe Sestack, ceo; Frank W. Krum, president-coo; Jack Foley, sr vp; Jim Schmoyer, sr vp-operations; Willard Cressman, vp-finance admin.

Marketing personnel: Robert Beckwith, vp-sales; Katherine Hillman, vp-mktg; Bart Campbell, dir-comm & pr.

Brands/services by agency of record:

Alpo canned & dry food
Alpo Jerky Bits
Alpo puppy food
Alpo Snaps treats
Beef Bites treats
Bi-ta dog biscuits
Tabby

Ad agency: Weightman Inc., Philadelphia: John Goodchild, president; Mark Plamondon, sr acct super; Neil Harrison, sr vp-media; Ray Dundas, vp-assoc media dir.

Pearle Health Services
Dallas, Texas

Marketing personnel: Howard Stanworth, president-ceo; Joe Dono, vp-mktg.

Brands/services by agency of record:

Pearle Vision Centers

Ad agency: Foote, Cone & Belding, Chicago: Joan Black, sr vp-group acct dir; Bob Kubis, acct dir.

International Distillers and Vintners
Paddington Corp.
Fort Lee, N.J.

Corporate personnel: Peter Thompson, president-ceo.

Marketing personnel: Roger Stone, sr vp-mktg; Joe McKenna, vp-pr; Robert Green, sr vp-sales; Kevin McHugh, vp-sales eastern region; Paul Tynan, brand mgr-Baileys Original Irish Cream; David Margolis, brand mgr-J&B; Maury Maniff, group mgr, dir-Cinzano, Malibu; Sandra Dees, brand mgr-Amaretto di Saronno; Tony Foglio, genl mgr.

Brands/services by agency of record:

Asti Spumanti wines
Baileys Original Irish Cream liqueur
Cinzano vermouth
Sambuca Romana

Ad agency: Berentner, Greenhouse & Webster, New York: Bill Berentner, chmn; Martin Greenhouse, exec vp; Barrie Webster, president; Ted Pulton, vp-mgmt super.

■

Amaretto di Saronno
Malibu rum
Rumple Minze schnapps

Ad agency: Geer, DuBois, New York: Dave Eastbrook, vp-mgmt super; Robert Rosengarten, vp-acct super; Dawn Dresher, sr acct exec; Joyce Sliwa, sr vp-media dir.

■

J&B rare scotch
Knockando scotch

Ad agency: Grace & Rothschild, New York: Gordon Sleeper, genl mgr; Tom White, mgmt super; Gene Wilhoft, dir-media svcs.

Carillon Importers
Teaneck, N.J.

Corporate personnel: Michel Roux, president-ceo; Jerry Ciraulo, vp-finance, admin.

Marketing personnel: Dick McEvoy, vp-mktg & sales; John Aletano, natl sales mgr; Ernie Capria, mgr-mktg svcs; Pamela Taylor, mgr-pr.

Brands/services by agency of record:

Absolut Peppar
Absolut vodka
Bombay gin
Champagne Devonage
Cremant Rose
Fernet Blanca
Grand Marnier
La Grand Passon
O'Kir
O'Mini mineral water
Piat D'Or wine

Ad agency: TBWA Advertising, New York: William Tragos, chmn & ceo; Richard Costello, president; Richard Lewis, Brian Barry, vps-mgmt supers; Claude Fromm, sr vp-media dir; Reatha Braxton, vp-media super; Page Murray, Darren Finnie, acct execs.

Traditional Beer Importing Co.
Fort Lee, N.J.

Corporate personnel: John Sewald, genl mgr.

Heublein Inc.
Farmington, Conn.

Corporate personnel: John A. Powers, chmn; Robert M. Furek, president & ceo; G.T. Eisenberg, exec vp-sales & mktg.

Marketing personnel: Rouben V. Chakalian, sr vp-fine wines; David G. Eickholt, vp-mktg svcs; William F. Engster, president-International Vintage Wines Co.; Edward Gaultieri, vp-spirits mktg; John J. Kucich, chmn & ceo, all brand importers; Justin Parks, mktg dir-Palace Brands Co.; Erik J. Pierce, vp-pr; G. William Seawright, sr vp-intl; Charles Trynor, vp-wines mktg; Charles Wheeler, dir-adv svcs.

Brands/services by agency of record:

Foster's Lager

Ad agency: AC&R/DHB&Bess, Los Angeles: Bill Isenberger, acct mgr; Karlene King, acct super.

■

Hispanic adv
Smirnoff vodka

Ad agency: Castor Spanish International, New York: Castor A. Fernandez, president-creative dir.

■

Pernod

Ad agency: D'Arcy Masius Benton & Bowles, New York: Dan Cole, acct super.

■

Beaulieu Vineyards

Ad agency: Lowe Marschalk, New York: Bob Glassman, acct super.

■

Almaden wines
Black Velvet Canadian whiskey
Clausthaler non-alcoholic malt beverage
Dos Equis beer
Moosehead Canadian lager
Piper-Heidsieck Champagne
Smirnoff vodka, genl & intl adv
The Famous Grouse scotch whisky
Viking Fjord vodka
Yukon Jack Canadian liqueur

Ad agency: McCann-Erickson, New York: Pat Quagliano, acct super.

■

Smirnoff vodka, black adv

Ad agency: UniWorld Group, New York: Byron Lewis, ceo.

■

Arrow Cordials
Club cocktails
Finlandia vodka
Heublein cocktails
Inglenook-Napa Valley wines

Inglenook Navalle wines
Jose Cuervo tequila
Lancers wine
Mouton Cadet wines
Tropic Freezer cocktails
Truffles Liqueur du Chocolat

Ad agency: Young & Rubicam, New York: Bernedette Murray, acct super; Ed Daley, acct super-Jose Cuervo, tequila.

RANK
91

Hallmark Cards

Kansas City, Mo
ADVERTISING **$ 93.9** MILLION

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	7.897	1.594	395.3
Business pub	NA	37	NA
Magazine	3.753	2.174	72.6
Newsp supp	2.618	1.335	96.1
Outdoor	3	0	1.400.0
Network TV	36.230	27.434	32.1
Spot TV	1.608	2.420	(33.5)
Network cable	77	0	NA
Network radio	1.300	782	66.3
Spot radio	2.426	255	851.0
Measured	55.913	36.032	55.2
Unmeasured	38.000	25.000	52.0
Total	93.913	61.032	53.9

Hallmark Cards continues to broaden its traditional product lines to include more gifts, and to build its interests in Spanish-language television.

The privately-held company is the world's largest greeting card maker, with a market share of more than 40% of the $3.6 billion industry through its Hallmark and Ambassador card lines. American Greetings, Cleveland, follows with around 30%, and Gibson Greetings, Cincinnati, has about 10%.

Hallmark now reaches 83% of all U.S. Hispanic households through its 1988 acquisition of 10 Hispanic TV stations from Univision, the largest domestic Spanish-language TV network.

Ranked 38th on the Fortune 500 list of privately-held companies, Hallmark continues to extend its product lines and distribution channels, including its growing relationship with Sanrio, Japan's leading producer of greeting cards and gift wrap.

Hallmark serves more than 21,000 retail outlets in the U.S., including department and specialty stores, with 150 of its own outlets.

Hallmark increased its advertising spending in 1987, boosting its budget 33%. The company spent $45.5 million in measured advertising, more than $25 million of that backing its cards, according to BAR/LNA.

Hallmark's fight with competitor Blue Mountain Arts, Boulder, Colo., has picked up steam. Blue Mountain, maker of the Susan Polis Schultz line of poetic greeting cards, in 1986 gained an injunction against Hallmark, preventing it from copying its cards. Hallmark appealed, but the injunction was upheld in May 1988 by the U.S. Court of Appeals. In August, Hallmark petitioned the U.S. Supreme Court to review the injunction.

In order to enhance sales of its Ambassador greeting cards line, which is sold mainly through grocery store and mass merchandising chains, Hallmark in 1988 rolled out a new display system called Colorscan, which groups cards according to color codes.

Hallmark sold its jewelry subsidiary, Trifari, Krussman & Fishel, based in East Providence, R.I., to Crystal Brands Inc., of Southport, Conn., but it extended several other lines.

Hallmark widened its line of cards called "The Best Years," to national distribution in 1988, targeting people over 55 years old.

It also expanded its line of school supplies and accessories called Color Gear, aimed at teenagers and bought a 6.2% stake in Stuart Hall Co., Kansas City, Mo., in the same category.

In 1988, Hallmark introduced the first miniature versions of its popular line of Keepsake Collectors Christmas tree ornaments, with 30 designs.

HALLMARK CARDS
2501 McGee
P.O. Box 580
Kansas City, Mo. 64141
(816) 274-5111

Corporate personnel: Donald J. Hall, chmn; David H. Hughes, vice-chmn; Irvine O. Hockaday Jr., president-ceo; Robert L. Stark, exec vp.

Marketing personnel: Thomas H. Johnston, group vp-Hallmark brand; Robert Firnhaber, group vp-Ambassador brand; Lanny Julian, Hallmark vp-sales; Homer Evans, Hallmark vp-greeting card prods div; Buddy Jones, Hallmark vp-specialty prods; Donald Fletcher, div vp-Ambassador prod devel; Brad Moore, div vp-adv & promo; Ira Stolzer, mgr-natl & retail adv; Jim Welch, mgr-consumer promo.

Hallmark Division

Corporate personnel: Donna Kelly, vp-genl mgr-Hallmark properties; Charles W. Hucker, div vp- public affairs & comm.

Brands/services by agency of record:

Hallmark & Ambassador natl adv

Ad agency: Ogilvy & Mather, New York: Mike Vaughn, sr vp-group dir; Linda Cornelius, sr vp-mgmt super; Harold Sogard, vp-acct super; Steve Cipolla, Joanne Munoz, acct execs.

■

Hallmark local retail adv

Ad agency: Valentine-Radford, Kansas City, Mo.: Charles Curtis, sr vp-client svs; Greg Kirsch, vp-acct super; Michael St. Pierre, acct super.

Binney & [illegible]
Easton, [illegible]

Corporate personnel: [illegible]ard S. Gurin, president-ceo; Steve Yanklowitz, vp-genl mgr, Crayola prod div.

Brands/services by agency of record:

Binney & Smith

Ad agency: Avrett, Free & Ginsberg, New York: Stu Cowan, mgmt super; Larry Riegel, group acct dir; Allison Bailey, acct super.

Univision Holdings
New York

Corporate personnel: William Grimes, president-ceo.

Univision
New York

Corporate personnel: Joaquin Blaya, president.

Brands/services by agency of record:

Univision

Ad agency: Alan Spess & Associates, Miami, Fla.: Alan Spess, president.

RANK
67

Hasbro Inc.

Pawtucket, R.I.
ADVERTISING **$ 134.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	1.345	1.345	0.0
Earnings	48	99	(51.4)
■ U.S.	**1987**	**1986**	**% chg**
Sales	933	978	(4.6)
Operating income	72	148	(51.6)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1	0	NA
Business pub	46	51	(9.1)
Magazine	5.970	4.197	42.2
Newsp supp	0	34	NA
Network TV	26.697	28.899	(7.6)
Spot TV	72.148	72.300	(0.2)
Network cable	2.445	2.972	(17.7)
Spot radio	0	59	NA
Measured	107.308	108.511	(1.1)
Unmeasured	27.000	27.000	0.0
Total	134.308	135.511	(0.9)

Hasbro Inc. kept squeezing out profits in 1987 from its long list of standby toys and a few new winners during a major drought in the toy industry that has been void of any megahits.

Across the board, toy sales in the $13 billion industry remained flat for the second year in a row. And several companies that were riding high during the toy boom of the early 1980s—including West Hartford, Conn.-based Coleco and Worlds of Wonder, Fremont, Calif.—are fighting off bankruptcy.

Hasbro has survived the sluggish period by avoiding the risky promotional and electronic toys that crippled many of its competitors, and relying largely on proven basics and board games.

Hasbro's earnings suffered early in 1987, and as a result, the company underwent some minor restructuring in which a few top executives received additional assignments within the company. Some factories that were gained in earlier acquisitions also were shut down.

In early 1988 Hasbro Toys consolidated its advertising at Griffin Bacal, New York, ending a two-year relationship with DDB Needham, Chicago, which had handled $20 million of billings for Hasbro and Milton Bradley. Hasbro's measured spending has not changed much in the past two years, and the company expects the same for 1988.

The company, which consists of the Hasbro Toys and Playskool Inc. divisions, both based in Pawtucket, R.I., and the Springfield, Mass.-based Milton Bradley division, moved decisively in 1988 to discontinue certain lines that weren't selling well.

Getting axed was Jem, the pink-haired fashion rock star doll Hasbro launched in 1986 with an $8 million ad budget, along with her own animated TV show. The company updated Jem in 1987, spending $4.5 million to advertise her, but eventually decided to dump her in 1988 in favor of a new doll named Maxie, modeled after a blonde California teenager.

Maxie is the same size as competitor Mattel's Barbie doll, which continues to lead the doll market by a wide margin. Hasbro is spending $8 million to advertise Maxie in 1988, along with her three friends, her boyfriend Rob and dozens of accessories.

Hasbro also pulled away from its Air Raiders line in 1988, which it advertised with $2.5 million, and it backed off from the Moondreamers doll line, which it had promoted with $3.5 million in measured spending in 1987.

In general, Hasbro played it safe in 1987, by only spending heavily on its proven winners.

While other new entries stagnated, Hasbro's G.I. Joe was once again one of the country's top-selling toys in 1987, supported by more than $9 million in measured advertising. Hasbro also put $7.8 million toward Transformers and $7.7 toward My Little Pony.

Pogo Bal, which Hasbro spent $4.4 million advertising, turned out to be a surprisingly strong toy throughout 1987 and 1988.

Other new products from Hasbro in 1988 include a new line of boys' action figures called C.O.P.S., which is accompanied by an animated TV show; Fazz jewelry and makeup; the Body Rap portable sound and rhythm system and a line of plush toys tied to the movie "Who Framed Roger Rabbit?" that sold briskly.

Hasbro is expected to introduce an interactive video game in 1989, codenamed NEMO by the industry, and expected to retail for around $200.

Both Playskool and Milton Bradley turned in the strongest sales results for the company in 1987, with Milton Bradley leading all other game and puzzle makers with a 29% increase in domestic sales volume.

Milton Bradley's measured ad total in 1987 was $30 million, with just over $1 million allocated toward most board games.

For "A Question of Scruples," its adult board game, Milton Bradley spent $4.2 million in 1987 and launched a children's version of the game in 1988.

Other new games from Milton Bradley in 1988 include Tuba Ruba, a skill and action game slightly resembling Twister; Groove Tube action game and Liars Dice, a family game.

Banking on the solid sales of video games, Milton Bradley also joined other toy makers in licensing three games for the Nintendo Entertainment System, which proved successful.

Playskool received $29 million in measured media, of which $4 million went toward its Pipeworks building system for preschoolers, and $3 million was spent promoting its popular Definitely Dinosaurs line. The Playskool division also put more effort into its child development products in 1987, introducing the Nursa disposable baby bottle system, which received little advertising.

Other new products from Playskool in 1988 include the Nosy Bears plush line; Dolly Surprise, whose hair grows; the Playsounds Sink & Stove Kitchen Set and the Sleepy Sounds baby monitoring system.

The Playskool division has profited from overall growth in the market for infant and preschool toys and products, placing it in direct competition with Quaker Oats' Fisher-Price unit, which dominates that market.

HASBRO INC.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000

Marketing personnel: Stephen A. Schwartz, exec vp-mktg; Alfred C. Carosi Jr., sr vp-mktg svcs; Wayne Charness, assoc vp-pr; John A. Gildea, assoc vp-mktg svcs; Deborah Boyd, assoc vp-media svcs; Walter Baric, dir-mktg rsch; Ellen Franklin, dir-corp. shows & exhibits.

Hasbro Toy Division

Marketing personnel: Neil Friedman vp-mktg, boys' toys; Maurene Souza, vp-girls' toys.

Playskool Division

Marketing personnel: Sharon Hartley, vp-Playskool Preschool; Kirk Bozigian, sr mktg dir-Playskool Baby.

Milton Bradley Division

Marketing personnel: Lawrence I. Bernstein, sr vp-mktg; George Merritt, vp-adv & pr.

Brands/services by agency of record:

Hasbro
Milton Bradley
Playskool

Ad agency: Griffin Bacal, New York: Tom Griffin, president; Joe Bacal, chmn, dir-creative svcs; Paul Kurnit, exec vp-client svcs; Leonard Leokum, exec vp-creative dir; Art Heller, exec vp, dir-media programming and mktg svcs; Loretta Volpe, sr vp, dir-media programming & mktg svcs; Marsha Badanes, sr vp, group dir-Playskool; Bob Horne, sr vp, group dir-MB Boys'& girls' toys; Hildy Travis, vp-media, boys' & girls' toys; Alysia Dworin, vp-media, Playskool; Heidi Kahme, vp-media buying; David Biebelberg, vp-mgmt super, boys' toys; Janice Figueroa, vp-mgmt super, girls' toys; Arnie Berger vp-mgmt super, MB.

■

Print adv-Hasbro

WORLD'S LARGEST PENNANT MANUFACTURER
NATIONAL BANNER CO.
11938 HARRY HINES
DALLAS, TEXAS 75234
214-241-2131
40 YEARS OF PERFORMANCE
BANNERS PENNANTS
DECALS SIGNS
FLAGS TAGS
NABCO PRODUCTS
FREE 64 PAGE CATALOG
TOLL FREE 1-800-527-0860
IN TEXAS CALL TOLL FREE
1-800-442-7131

AD SALES
AD DIRECTORS
PUBLISHERS
PRODUCTION
Executive Recruitment
& Search Division
- NATIONWIDE
- QUALITY REFERRALS
- CONFIDENTIAL
ELSA ROSS—Vice Pres.
New York: (212) 687-6615
Chicago: (312) 781-0043
300 MADISON AVENUE
NEW YORK CITY, NY 10017
GARDNER ASSOCIATES

LOW COST/HIGH IMPACT ADVERTISING! FREE CATALOG!
Please send your FREE! 1988 Catalog and Slide-Chart samples of interest to me. Your representative may phone to determine which samples to send and I will incur no cost or obligation.
NAME ____
TITLE ____
COMPANY ____
ADDRESS ____
CITY ____ STATE ____ ZIP ____
PHONE ____
PERRYGRAF, Dept. LCPU
19365 Business Center Drive, Northridge, CA 91324-3552
Our 1988 Catalog includes:
1. Slide-Charts still selling after 35 to 45 years.
2. 54 Industries & 212 successful Slide-Charts.
3. 223 leading Companies regularly using Slide-Charts.
4. 10 types of Slide-Charts & 10 ways to use them.
5. 89 Slide-Charts in full color & what they do.
6. How to get a Slide-Chart Custom Designed, FREE!
CALL, WRITE OR FAX - TODAY!
PERRYGRAF
19365 BUSINESS CENTER DRIVE
NORTHRIDGE, CA 91324-3552
FAX: (818) 993-7572 (24 hrs.)
(818) 993-1000 • (800) 423-5329
AND, GIVE YOUR PROMOTIONS POP-UP POWER!
CUSTOM OR IMPRINTABLE—ASK ABOUT THEM!

Ad agency: Kornhauser & Calene, New York: Larry Nunno, sr vp-acct exec; Deyna Vesey, sr vp-creative dir.

■

Licensing

Ad agency: Rossin Greenberg Seronick & Hill, Boston: Brendan Collins, mgmt super.

■

Special project adv

Ad agency: Goodby, Berlin & Silverstein, San Francisco: Jeff Goodby, Andy Berlin, Rich Silverstein, principals.

RANK
38

H.J. Heinz Co.

Pittsburgh
ADVERTISING **$ 245.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	5.244	4.639	13.0
Earnings	386	338	14.2
■ **U.S.**	**1987**	**1986**	**% chg**
Sales	3.053	2.781	9.8

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1.252	421	197.5
Business pub	3.265	1.136	187.5
Magazine	18.375	16.113	14.0
Newsp supp	778	24	3.155.6
Outdoor	18	23	(21.6)
Network TV	46.549	42.440	9.7
Spot TV	25.541	25.844	(1.2)
Network cable	2.128	681	212.5
Network radio	69	2	2.758.3
Spot radio	290	891	(67.4)
Measured	98.264	87.574	12.2
Unmeasured	147.000	131.000	12.2
Total	245.264	218.574	12.2

H.J. Heinz's bought instant market share in the canned dog-food market in 1987 with the acquisition of three pet-food producers.

Acquisitions during 1987 included Campbell Soup Co.'s Champion Valley Farms (Recipe dog food), California Home Brands (Skippy, Sturdy and Vets dog food, plus Petuna cat food) and Mavar Products Co. (Kozy Kritter and Kozy Kitten).

Already the market leader in cat foods, the acquisitions helped Heinz's Star-Kist division leap to No. 3 in the $800 million canned dog-food market, going from nil to 15% share, according to John McMillin, an analyst with Prudential Bache Securities. Alpo Pet Foods is the canned dog-food market leader with a 23% share; Mars Inc.'s Kal Kan holds 19%.

Heinz plans to concentrate on premium and super-premium canned dog food with no designs on dominating the dry dog food segment. Case in point is the $25 million media budget scheduled to support the new Reward superpremium canned dog food brand which was in test in July 1988.

Not all the company's recent acquisitions worked out as well as its pet-food maneuvers. Heinz' purchase of Bumble Bee Seafoods in February for an estimated $200 million was challenged by the U.S. Justice Department on anti-trust grounds and Heinz terminated the agreement in July through a sale to Pillsbury. Bumble Bee, with a 20% share, would have given Heinz virtual dominance in the market where its Star-Kist brand already holds a 36% share.

A novel acquisition for the company was McLean, Va.-based Friteco Inc., (renamed Ore Ida Vended Products Inc.) a research company developing a french fry vending machine. The device, undergoing a two- to three-year test, cooks fries in 35 seconds and is equipped with a dispenser for single-serve Heinz Ketchup.

Meanwhile, Heinz Ketchup (regular and light combined) holds 56% of the retail ketchup market, Mr. McMillin said, compared to 55% for last year. Hunt's claims 16% and Del Monte, 10%. Heinz also owns 55% of the food service segment. Heinz spent $11.2 million on ketchup in 1987, the most for any single product.

New products for Heinz USA include room service-size ketchup, a 2¼-ounce glass bottle designed for hoteliers; Horseradish Sauce (a revitalization of Henry J. Heinz' first product 119 years ago); three new varieties of Heinz relish (which hit the No. 1 spot for the first time); an eight-variety line of Old Fashioned Pickles; tartar sauce and five strained yogurts for babies.

Weight Watchers, ranking second in profitability only to ketchup at the company, added a nine-flavor line of a la Francais yogurt, two frozen novelties (Chocolate Mousse on a Stick and Chocolate Dip Bar), an eight-flavor Grand Collection of ice milk, Mexican frozen entrees and 12 products to the Central Location Line. New products generated nearly 15% of Weight Watchers frozen foods sales. Its frozen dishes hold an 8% share of that market and frozen sweet goods, 10%, Mr. McMillin said.

In the low-calorie prepared frozen dinner category, Weight Watchers holds an estimated 30% market share, compared with 40% for market leader, Lean Cuisine, from Nestle's Stouffers Corp. The market, however, is heating up with new entries from ConAgra and Kraft.

Weight Watchers pulled $30.9 million in measured ad spending in 1987, Heinz's largest ad category, according to BAR/LNA. This was down from $33.7 million in 1986, however.

Weight Watchers International replaced its popular Quick Start program with the Quick Success Program, featuring faster weight loss and simplified program materials. Enrollments are 30% higher than last year; North American meetings increased 11% and European locations rose 4%. Cardio-Fitness Corp. opened three new centers, including one in a Chicago hotel.

Inspired by the success of 1987's Toaster Hash Browns, Ore-Ida expanded distribution to the entire U.S. and added onion and Western-flavored varieties. The foodservice area introduced Crispy Bakes, fried potatoes designed for oven preparation in schools. Ore-Ida boasts a 56% market share of frozen potatoes, and a nationwide decline of sales in that arena seems to be reversing; Aunt Jemima follows with 2%.

Heinz spent $9.3 million on the Ore-Ida line, up from $5.5 million in 1986. The difference between the two years largely related to the geographic expansion and "initial" media spending for: Hash Browns ($2.2 million in 1987); microwaveable fries ($1.2 million) and frozen tater tots ($2.3 million).

Even though dogs dominated the headlines, felines were not forgotten as Star-Kist's 9 Lives developed Finicky Bits treats, which company officials may took 21% of the $32 million cat treats category; Quaker Oats' Puss & Boots Pounce pulls in 64%, and Beatrice's Bonkers 27%. Additional varieties and sizes of Jerky Treats and Meaty Bone arrived for dogs.

The 9 Lives and Amore brands combined for a 30% share of the canned cat food market (up from 28% last year); Kozy Kitten and Petuna add another 3%. Kal Kan has 19% of the wet category; Nestles' Carnation's Friskies, 14%. Nine Lives semi-moist product rates a 15% share of that segment; Ralston Purina's Tender Vittles takes 47% and its Happy Cat 25%. Nine Lives dry manages only 8% of that market.

Total measured advertising in 11 monitored media was up 12.2% to $98.3 million, with almost half that amount—$46.5 million—budgeted for network TV; that was up 9.7% from 1986. Spot TV garnered over a fourth of the total—$25.5 million, approximately the same figure as last year. Cable TV spending more than tripled, to $2.1 million, and newspaper expenditures were almost three times as much at $1.3 million. Magazine advertising rose 14% to $18.4 million.

Heinz Ketchup amassed the largest allotment of advertising dollars, $11.2 million, up $27.2%. Total spending for Weight Watchers fell 8.4%, with Weight Watchers Frozen meals, the largest single expenditure in that brand, dropping 20.9% to $9 million. Spending on Weight Watchers International, however, increased 12.8% to $8.3 million.

Nine Lives canned cat food advertising was up 17.6% to $6.1 million, and the advent of the presidential elections brought Morris the Cat into the national limelight with advertising based on his candidacy for the country's highest office. His finicky image is being reworked, with a new TV spot due out by year's end. Spending on Amore was down 26.4% to $4.6 million.

Chico-San rice cakes, an exception to the TV advertising dominance rule, had its largest expenditure going to magazines—$1.6 million; spending for Chico-San, acquired in 1984, increased 81.5%. Frozen Tater Tots' got the most ad support for the Ore-Ida group, $2.3 million, while expenditures on microwave fries fell from $2.1 million to $1.2 million. Output for Ore-Ida Hash Browns was $2.2 million.

National and international recognition of advertising came for two products: A Swedish spot for Heinz Ketchup earned an award at the 34th International Advertising Film Festival in Cannes, and a TV spot on Home-Style Gravy was named one of AA's "Best" from he first quarter of '87.

Geographic expansion continued with the purchase of a majority share of Win-Chance Foods Co. Ltd. (baby cereal and flavored milk powder) through a joint venture in Thailand; Kgalagadi Soap Industries, the sole producer of toilet and laundry soaps in Botswana; S. Orlando S.A. (Spanish producer of tomato-based condiments) and Judice Fialho (Portuguese producer of canned sardines). Heinz also purchased Pro Pastries Inc. and Pro Bakers Ltd. (frozen unbaked pastries). Stanley Wine Co., an Australian producer of wine and wine cooler products, was sold.

Anthony J. O'Reilly became Heinz chairman in 1987 following the death of H.J. Heinz III (O'Reilly was already president and CEO), and the company is undergoing intensive internal scrutiny, such as seeking to integrate the making of ketchup worldwide through a universal system of buying ingredients.

HEINZ U.S.A.
P.O. Box 57
Pittsburgh, Pa. 15230
(412) 237-5757

Consumer Products Division

Marketing personnel: Brian Ruder, vp; Jeffrey Berger, genl mgr-foodservice & export mktg; Barbara Behrman, genl mgr-grocery ketchup & sauces mktg; M.A. McCollough, genl mgr-mktg svcs; William Gwynn, mgr-adv svcs.

Specialty Products Division

Marketing personnel: Lennox B. Buchanan, vp; Kevin Storms, genl mgr-mktg; Lisa Abott, mktg mgr-Weight Watchers; Jay Abraham, group mgr-nutrition prods; Estela Tejidor, mktg mgr-Chico-San; Virgil Knapke, mktg mgr-Near East Foods.

Packaged Goods Division

Marketing personnel: John Crawshaw, vp; Ben Fisher, genl business mgr-soups, beans vinegar, sauces; Robert Roussey, genl business mgr-pickles, baby foods prods.

Sales Division

Marketing personnel: Jon Peterson, vp; G.K. Ferguson, genl mgr-grocery sales; William Van Duzer, genl mgr-food service sales; Tim Senft, genl mgr-specialty prods sales; H.M. McNamara, genl mgr-customer relations.

Brands/services by agency of record:

Weight Watchers Foods

Ad agency: Ally & Gargano, New York: Jim Hanzlik, vp-acct dir.

■

Gravy
Ketchup
Near East
Pickles
Relishes
Wet & instant baby food

Ad agency: Leo Burnett USA, Chicago: Tom Ross, exec vp; Jeffrey Herscovitz, vp-acct dir.

■

Food service prods

Ad agency: Food Group, New York: Donald Axleroad, president.

■

Chico-San

Ad agency: Hill, Holliday, Connors, Cosmopolous, Boston: Justin Harrington, sr vp.

■

Alba prods
Heinz 57 & barbecue sauces
Vinegar

Ad agency: Ketchum Advertising, Pittsburgh: Kenneth Umansky, sr vp-group dir.

Star-Kist Foods
Long Beach, Calif.

Marketing personnel: W.R. Johnson, group vp-pet foods; Allyn Ayotte, vp-sales; J.T. O'Meara, genl mgr-seafood mktg; P.L. Bowen, genl mgr-cat food mktg; M.D. Milone, genl mgr-dog food mktg; Robert Worsham, genl mgr-sales devel; Robert Roberts, field sales mgr.

Brands/services by agency of record:

Amore
Jerky Treats
Meaty Bone
9-Lives
Star-Kist Tuna

Ad agency: Leo Burnett USA, Chicago: Robert Shen, sr vp-acct dir.

■

Reward dog food
New prods

Ad agency: Goodby, Berlin & Silverstein, San Francisco: Tom White, acct dir.

■

Skippy Premium
Vets

Ad agency: Kornhauser & Calene, New York: Henry Kornhauser, acct dir.

Ore-Ida Foods
Boise, Idaho

Marketing personnel: Geoffrey V. Supko, vp-sales & mktg; Patrick J. Kinney, genl mgr-food service sales; John Heil, genl mgr-retail vegetable prods; M. Vince Shaar, genl mgr-retail sales; Martin V. Thomas, genl mgr-sales & mktg svcs; Stanford P. Darger, vp-sales & mktg, Foodways Natl-Gagliardi Bros; Scott D. Mirkin, genl mgr, Foodways Natl-Gagliardi Bros; Douglas C. Haines, genl mgr-formulated prods, Foods Natl-Gagliardi Bros.

Brands/services by agency of record:

Ore-Ida prods

Ad agency: DDB Needham Worldwide, New York: Robert Freeman, group sr vp.

Weight Watchers Int'l.
Jericho, N.Y.

Marketing personnel: Dr. Lelio G. Parducci, vp-mktg & devel; Wayne A. Perra, mgr-natl adv & promo; Kathy Diamond, asst mktg mgr-promo; Denise L'Hommedieu, asst mktg mgr-adv; Anna Paetzold, asst mktg mgr-pr; Michael Schiffmiller, mgr-adv & promo.

Corporate media buying: SFM Media Buying Corp., New York: David Tabin, sr vp.

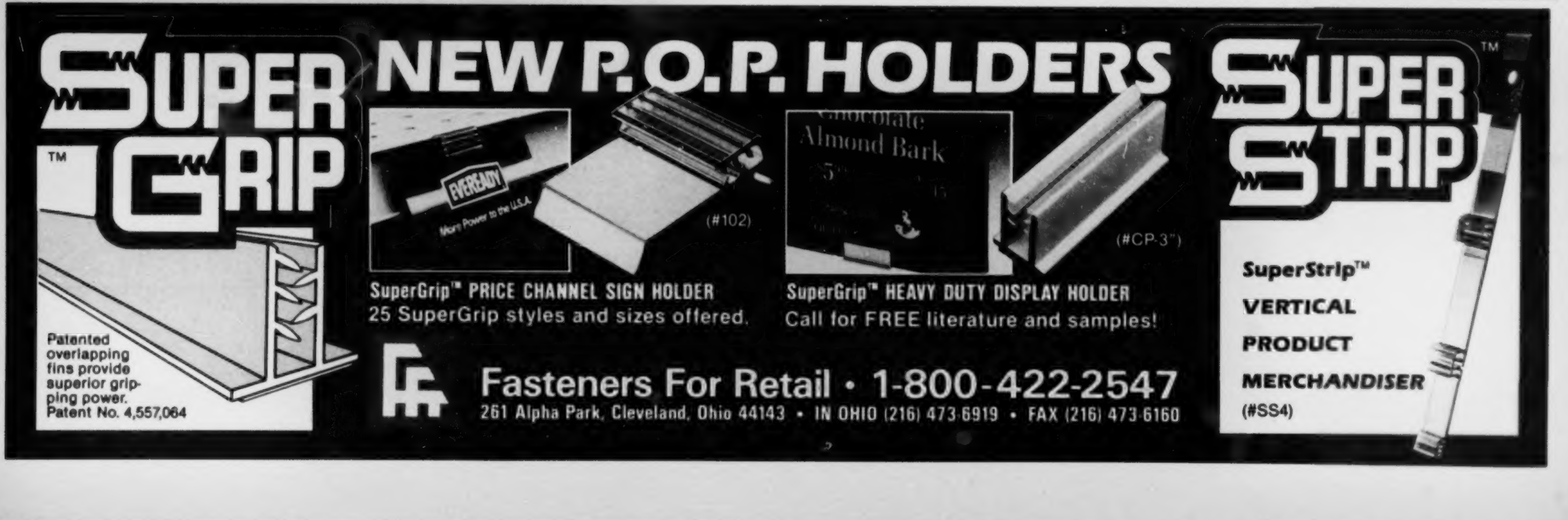
Brands/services by agency of record:

Weight Watchers Int'l.

Ad agencies: DDB Needham Worldwide, New York: Alan Krinsky, mgmt super; Mary Beth

TRADEMARK
&
COPYRIGHT SEARCHES
TRADEMARK-Supply word and or design plus goods or services
SEARCH FEES: TRADEMARK OFFICE $60* STATE TRADEMARKS $70 COMMON LAW $35 EXPANDED COMMON LAW $80* DESIGNS $85* per class minimum COPYRIGHT $95* — * plus photo copy cost
U.S. PATENT SEARCHES - $ 250 MINIMUM
INTERNATIONAL SEARCHING
Trademark & Patent Fees on Request
DOCUMENT PREPARATION: (for attorneys only - Applications, Section 8 & 15, Assignments, renewals). RESEARCH - (SEC - 10K's, ICC, FCC, COURT RECORDS, CONGRESS). APPROVED. Our services meet standards set for us by a D.C. Court of Appeals Committee
Over 100 years total staff experience — not connected with the Federal Government
GOVERNMENT LIAISON SERVICES, INC.
3030 Clarendon Blvd., Suite 209
Arlington, VA 22201
Phone (703) 524-8200 · Fax: (703) 525-8451
TOLL FREE: 800-642-6564
All major credit cards accepted
Since 1957

Which companies spend the most in Syndicated T.V.?
Turn to LNA for answers.
See page 151



SUPER GRIP™
NEW P.O.P. HOLDERS
SUPER STRIP™
Patented overlapping fins provide superior gripping power. Patent No. 4,557,064
(#102)
SuperGrip™ PRICE CHANNEL SIGN HOLDER
25 SuperGrip styles and sizes offered.
(#CP-3")
SuperGrip™ HEAVY DUTY DISPLAY HOLDER
Call for FREE literature and samples!
SuperStrip™ VERTICAL PRODUCT MERCHANDISER (#SS4)
Fasteners For Retail · 1-800-422-2547
261 Alpha Park, Cleveland, Ohio 44143 · IN OHIO (216) 473-6919 · FAX (216) 473-6160

Williams, acct super.

Manning Selvage & Lee, New York: Florence Greenbert, acct super.

Nancy Fisher & Partners, New York: Nancy Fisher, president.

Wunderman Worldwide, New York: Debra Brown, mgmt super; Debra Elkins, acct super.

RANK
69

Hershey Foods Corp.

Hershey, Pa.
ADVERTISING **$ 122.8** MILLION

Sales & earnings

($ in millions)

Worldwide	*1987*	*1986*	*% chg*
Sales	2,434	2,170	12.2
Earnings	148	133	11.6
Division sales	***1987***	***1986***	***% chg***
Confectionery	1,861	1,633	14.0
Restaurants	572	537	6.7

U.S. advertising by media

($ in thousands)

Media	*1987*	*1986*	*% chg*
Newspaper	458	67	580.1
Business pub	127	175	(27.5)
Magazine	6,574	10,403	(36.8)
Newsp supp	0	138	NA
Outdoor	112	53	112.4
Network TV	30,932	26,289	17.7
Spot TV	25,296	23,099	9.5
Network cable	2,105	1,710	23.1
Network radio	2,678	2,130	25.7
Spot radio	3,528	947	272.4
Measured	71,809	65,010	10.5
Unmeasured	51,000	46,000	10.9
Total	122,809	111,010	10.6

Hershey Foods Corp. this summer called a halt to its nine-year effort to diversify beyond its confectionery and consumer food products, preferring instead to acquire the U.S. candy works of Cadbury Schweppes PLC in an effort to put it ahead of Mars Inc. as the largest U.S. candy marketers.

In August, a month after the candy purchase, Hershey sold Friendly Ice Cream Corp., a chain of 840 informal restaurants, for $375 million to Tennessee Restaurant Co. of Chicago. Friendly contributed 23% to Hershey sales in 1987, compared with 76.4% for consumer foods (which includes confectionery products). Hershey had acquired Friendly for $164 million in 1979.

The Friendly sale was seen by analysts as a move to offset the cost of the Cadbury operation for $270 million in cash and $30 million in assumed debt.

3 STRIKES presents
TOWEL IN A TUBE™
THE QUESTION IS
☐ IS IT A LOW COST INCENTIVE?
☐ DOES IT PROVIDE HIGH VISIBILITY?
☐ DOES IT TIE IN WITH FITNESS AND HEALTH?
☐ IS IT EASY TO FULFILL?
THE ANSWER IS
☑ ALL OF THE ABOVE
A LOW COST HIGH VISIBILITY FITNESS PREMIUM
A FITNESS HEALTH EXERCISE TOWEL
Perfect T-Shirt substitute
Great For Bar Towels in Tip Cans
ALSO BEACH TOWELS
AND EMBROIDERED APPAREL
For Info: 3 Strikes Custom Design
130 West 42 Street Penthouse
NYC NY 10036 212 391-0026

"From Hershey's point of view, the return on management time is going to be greater in the chocolate and confectionery business than restaurants," said Leonard Teitelbaum, an analyst who follows Hershey for Merrill, Lynch, Pierce, Fenner & Smith Inc.

Cadbury, with 1987 U.S. sales of $300 million from brands including Peter Paul Mounds and Almond Joy, York Peppermint Pattie and Cadbury-label items including Dairy Milk, Fruit & Nut, Caramello and Creme Eggs, had an estimated 4% share of the estimated $7.4 billion U.S. confectionery market. The buyout is believed to inch Hershey past Mars, both with 24% shares.

Hershey, in particular, benefited in the candy bar market from the addition of Cadbury brands. That market, which accounts for about 65% of total U.S. confectionery sales, now shows Hershey with a 43% share thanks to Cadbury's 8%. Mars holds 37% of the market.

Mars still holds individual candy bar honors, as Snickers remains the No. 1 seller. Hershey's Reese's peanut butter cups rank second. Other Hershey's products among the top ten best sellers include Kisses, Kit Kat and Hershey milk chocolate bars, with and without nuts.

In 1987, Hershey cast its competition with Mars in an international light by purchasing the the asset and trademark rights to Nabisco Brands Ltd.'s Canadian confectionery and snack nut business for $135.9 million plus approximately $26.7 million for net working capital. The acquisition helped boost Hershey's share in the Canadian confectionery market from 6% to 21%, ahead of Mars' 14% share.

Hershey also has been engaged in a strong new product development push. Capitalizing on stable, low cocoa prices and supply surpluses, the company has developed "real chocolately" candy bars.

In 1987, Bar None, a chocolate bar which combines chocolate wafers, chocolate cream and peanuts covered in chocolate, was introduced nationally. It is now testing another chocolate concoction, Symphony, which is described as a milk chocolate bar with more milk. It is targeted to upscale consumers.

Some 82% of Hershey's total measured ad spending was devoted to confectionery items, according to BAR/LNA. The spending leader was Reese's Peanut Butter Cups, up 56% to $9.8 million. Spending rose dramatically for Kit Kat to $6.9 million from $438,000. Other major categories were Hershey's Kisses, up 56.2% to $9.6 million; Hershey's miniatures at $2.5 million, up from $920,000 and Skor, at $2.8 million, down 32%. Spending also dropped 31.6% for Hershey Candy Bars, to $12.1 million.

Hershey spent $5.1 million on Friendly during 1987. Before the sale, in March 1988, Friendly's long-standing agency, Boston-based Ingalls, Quinn & Johnson was replaced by Levine, Huntley, Schmidt & Beaver, New York.

Hershey's other consumer products, Hershey Pasta Group, contributed about 10% of Hershey's revenues in 1987 when Hershey held a 17.5% market share at the consumer level. On the wholesale level, dry pasta had 1987 sales of approximately $934 million.

Hershey's brands, which include American Beauty, San Giorgio, Skinner, Delmonico, P&R, Perfection, Light 'N Fluffy and Pastamania, are concentrated east of the Mississippi. Pasta traditionally has been a local/regional business.

In the past few years, acquisitions by major food companies including CPC International, General Foods, Borden and Hershey have changed the nature of the market. While there is no true national brand, national market shares have become worth fighting for. Borden and Hershey battled for the top share through 1986 with Borden claiming 17% and Hershey 16.8% by the end of that year. Borden's acquisition of Prince in 1987, however, gave it an additional 10% share.

Pasta received about $2.4 million in measured spending, up 4.3%. A large part of the unmeasured ad spending for this category comes from slotting allowances, the payment for shelf space that some retailers expect from manufacturers. These fees have more than doubled in the past year. By one account, American Beauty had to pay as much as $19,500 per store to a West Coast chain to stock its pasta products.

HERSHEY FOODS CORP.
100 Mansion Road East
Hershey, Pa. 17033
(717) 534-4000

Hershey Chocolate Co.
Hershey, Pa.

Corporate personnel: Joseph P. Viviano, president.

Marketing personnel: Jay F. Carr, vp-mktg; Anthony J. Pingitore, genl mgr-grocery prods.

Brands/services by agency of record:

Hershey's milk chocolate
Hershey's syrup
Kit Kat
Luden's cough drops
Mr. Goodbar
New prods
Reese's Pieces
Skor
Whatchamacallit
Y&S candies

Ad agency: DDB Needham Worldwide, New York: Peter Tate, exec vp; Jamie Barickman, sr vp-mgmt super; Emily Cohen, vp-mgmt super; Anne Ryan, acct supers.

■

Bar None
Big Block
Fifth Avenue
Giant Kiss
Golden Almond bar
Golden Almond Solitaires
Golden III
Grand Slam
Hershey's baking chocolate
Hershey's chocolate chips
Hershey's cocoa
Hershey's fudge topping
Hershey's granola bars
Hershey's Kisses
Hershey's milk chocolate bar
Hershey's milk chocolate bar with almonds
Hershey's miniatures
Marabou milk chocolate rolls
New prods
Reese's peanut butter chips
Reese's peanut butter cups
Rolo

Ad agency: Ogilvy & Mather, New York: Michael Vaughn, sr vp-group dir; Gerry Lantz, sr vp-mgmt super; Barbara Wittner, Michael Edmeades, Jane Weiss, vps-acct supers; Tony Macinovich, sr vp-assoc media dir; Steven Lanzano, David Leveton, Lisa Gallant, vps-asst media dirs.

Friendly Ice Cream Corp.
Wilbraham, Mass.

Corporate personnel: John F. Cauley Jr., president; Joseph A. O'Shaughnessy, sr exec vp.

Marketing personnel: John M. Sauve, vp-mktg.

Brands/services by agency of record:

Friendly Ice Cream

Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Jane Pack, sr vp-group dir; Jack Wheaton, sr vp-mgmt super.

Hershey Pasta Group
Hershey, Pa.

Corporate personnel: C. Mickey Skinner, president-ceo.

Marketing personnel: Clifford K. Larsen, vp-mktg.

Brands/services by agency of record:

American Beauty
Delmonico
Hershey Pastas
Light 'n Fluffy
P&R
San Giorgio
Skinner brands

Ad agency: Della Femina, McNamee WCRS, New York: Allen M. Clark, exec vp-acct super; Ed Daly, Karen Perry, acct execs.

RANK
37

Honda Motor Co.

Gardena, Calif.
ADVERTISING: **$ 245.4** MILLION

Sales & earnings

($ in millions)

Worldwide*	*1988*	*1987*	*% chg*
Sales	24,600	17,816	38.1
Earnings	842	520	62.1

U.S. advertising by media

($ in thousands)

Media	*1988*	*1987*	*% chg*
Newspaper	25,536	21,087	21.1
Business pub	244	224	8.8
Magazine	42,701	32,518	31.3
Newsp supp	389	472	(17.6)
Farm pub	0	419	NA
Outdoor	102	64	60.8
Network TV	78,065	60,778	28.4
Spot TV	17,063	20,855	(18.2)
Network cable	5,244	5,124	2.3
Network radio	4,360	3,831	13.8
Spot radio	4,661	3,935	18.5
Measured	178,365	149,307	19.5
Unmeasured	67,000	56,000	19.6
Total	245,365	205,307	19.5

NOTE: *Honda changed its fiscal closing from the end of February to March 31. Figures for 1988 cover 13 months from Feb. 28, 1987 to March 31, 1988 at Y136.7 = U.S.$1; figures for 1987 cover 12 months ended Feb. 28, 1987 at Y161 = U.S.$1.

American Honda Motor Co., a subsidiary of Honda Motor Co. Ltd., Tokyo, the largest foreign-based auto marketer in this country, saw its share of the U.S. market dip in 1987 as it neared "domestic automaker" status in the U.S.

Sales of imported Honda cars in the U.S. in 1987 totaled 421,688 units (312,218 of the Honda nameplate and 109,470 of the newly-introduced Acura Legends and Integras), down 7.9% from 1986. This represented a 13.4% share of the import car market, down slightly from 14.1% in 1986.

But sales of U.S.-built Accords and Civics grew 25.7% to 316,618 units, giving Honda total car sales of 738,306, up 6%. This represents a 7.2% share of the total U.S. market, making Honda last year's leader among foreign-based automakers. Toyota ranked second with a 6.14% overall share and Nissan third at 6.11%.

The Tokyo-based parent, also a manufacturer of motorcycles, ATVs, scooters and power equipment, for the six month period ended March 31, 1988 of its fiscal 1988 posted net earnings of $453 million, up 51.7%, on worldwide sales of $12.6 billion, up 11.3%. Figures for both six-month periods were converted at the current exchange rate of Y125 = U.S.$1.

Nearly 70% of the revenues of the parent is generated from overseas sales or production activities, and nearly 50% of its business comes from North America.

Worldwide unit sales of Honda autos for the six-month period totaled 890,000 units, up 8.8% over the prior-year period.

Honda, the first Japanese automaker to assemble cars in the U.S., plans to increase its auto sales in this country to one million annually by 1990. Nearly all of the increase will come from added U.S. production, not imports, which face quotas self-imposed by the Japanese.

The company plans to export cars from the U.S. to Asia-Pacific markets and even Europe. A total of 50,000 cars will go to Japan each year. Honda's first U.S.-made Accord coupe arrived in Japan in April 1988, one of 4,000 carrying a $20,800 price tag, about $5,800 more than the average price in the U.S.

To expand production and worldwide distribution from the U.S., Honda is building a new plant in East Liberty, Ohio, near its first facility in Marysville. Production is scheduled to begin in 1989 with a capacity of 150,000 units and to bring annual American production to 510,000 cars.

The new Ohio factory will produce several models, including the Acura division's two high-performance luxury cars, the $20,000 Legend and the $15,000 Integra. But the first car to come out of the East Liberty plant in August 1989 will be a Honda Civic, costing between $8,000 to $12,000 retail. Civics and Accords are produced in Marysville and also are imported to the U.S.

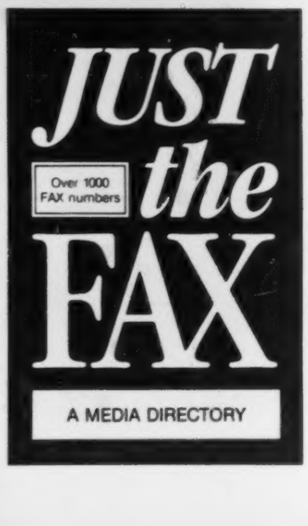
Honda's expanding upscale Acura division is expected to sell about 150,000 cars in 1988 after finishing 1987 with 109,470 units (54,713 Legends and 54,757 Integras). The upscale cars were first marketed in the U.S. in 1986. Toyota and Nissan won't have their own upscale units until late 1989.

Expansion of the Acura dealer outlets was supported by a doubling of media spending for the new division to over $40 million for 1987. Measured expenditures for 1987 hit $44.7 million, with the ad budget split 50/50 for Legend/Integra. Network TV accounted for the biggest media outlay at $23.6 million. Acura will add two cars in the 1990 and 1991 model years, including a Legend with its first V-8 engine.

The upscale division gained marketing points when the Acura Legend coupe was named *Motor Trend* magazine's 1987 Import Car of the Year (Integra came in second). Three Honda models swept the top three places in *MT's* Import Car of the Year award in early 1988, prompting a 48-hour blitz on network TV. This included TV spots set to the themes of "Who says it's lonely at the top?" and "Good news travels fast."

The Honda models for 1988 featured a bigger, more powerful generation of Civic/CRX models, along with the redesigned Prelude coupes with a new engine and optional four-wheel steering that Honda introduced last summer. Only the Accord was a carryover for 1988, although it is more powerful and has other refinements.

Measured media expenditures for 1987 show the best-selling Civic/CRX models



OVER 1000 FAX NUMBERS NATIONWIDE

■ Newspapers
■ Radio Stations
■ Washington Correspondents
■ TV Stations
■ News Bureaus
■ National Magazines

You'll Never *RUSH* To Meet Another Deadline

PLEASE SEND_____COPIES OF **JUST THE FAX** @$129.95 EACH
or TO ORDER, **CALL TOLL FREE** 1-800-234-7770

NAME
COMPANY TITLE
ADDRESS
CITY STATE ZIP

☐ Check Enclosed
☐ Bill Me Later

D.C. Residents Add 6% Sales Tax
Allow Six Weeks for Delivery

MAIL TO: **JUST THE FAX**, Public Access, Inc., 2000 L Street, N.W., Washington, D.C. 20036 A9

(134,719 units sold from $6,285 to $10,720) accounted for the major slice of the budget with media spending measured at $31 million, half network TV.

Spending in support of the Honda Accords, which accounted for sales of 104,791 units at prices ranging from $11,040 for a two-door hatchback to $15,650 for the four-door LXi sedan, was measured at $23.3 million, 65% in network TV.

Measured ad spending for the top-of-the-line Prelude models ($18,125 for the Si coupe with 4-wheel steering) reached $14 million in 1987.

Honda also broke the 1988 model-year barrier with the introduction in mid-July of an all-new line of Preludes, which included the hot new option of four-wheel steering. This second Prelude campaign began in September.

Honda's ad spending for introduction of the new '88 models took a 30% jump to $78 million during the last quarter of calendar 1987 to meet the stiffer competition expected at the entry-level segment of the auto market. This quarterly ad push started in late September during ABC-TV's college football coverage. Another 10% to 12% spending boost was slated for calendar 1988, with reduced summer expenditures helping to make up for the big introductory outlays.

Total ad spending, excluding the budget for Honda's upscale Acura cars, remained steady at about $130 million.

Honda extended its lead in the U.S. motorcycle market with a 50.8% share, up from 45% a year earlier. Yamaha followed at 19.8% (up from 17.8%), Suzuki at 11.6% (down from 12.2%), Kawasaki at 10.2% (down from 14.9%) and Harley-Davidson at 6.3% (down from 9.6%).

Honda's motorcycle division underwent major reorganization on the ad front during 1987, with the $10 million motor scooter account going from Weiden & Kennedy to Dailey & Associates, both of Los Angeles. Dailey also handles Honda's $25 million motorcycle and all-terrain vehicles account.

Motorcycles and ATVs accounted for $10.1 million in measured media expenditures in 1987, while scooters were measured at the $6.3 million level.

Responding to a U.S. Justice Department ruling regarding ATV safety early this year, Honda and Yamaha Motor Corp. agreed to spend $8 million in a print and TV campaign, scheduled to break this September, to warn consumers of the dangers of riding ATVs.

The motorcycle division also produced a 75-minute home video called "Marvelous Marvin Hagler vs. Sugar Ray Leonard: The SuperFight." The videotape carried one :30 spot at the opening and one :60 at the end.

Yellow Pages
HOTLINE
For National Advertisers
Call with questions
about your National
Yellow Pages Program
1-800-742-1002
1-800-354-5677
In N.Y. State

AMERICAN HONDA MOTOR CO.
100 W. Alondra Blvd.
Gardena, Calif. 90247
(213) 327-8280

Automobiles

Corporate personnel: Yoshihide Munekuni, president

Marketing personnel: Koichi Amemiya, exec vp; Thomas Elliot, sr vp-auto operations; Edward R. Taylor, vp-Acura sales; Eric Conn, auto adv mgr; Kurt Antonius, pr mgr; Bob Butorac, asst pr admin

Motorcycles

Corporate personnel: John Petas, sr vp

Marketing personnel: Ray Blank, sr mktg mgr; Wayne Toyota, motorcycle/scooter/ATV natl adv mgr; Gary Mathers, motorcycle sports comm mgr

Power Equipment

Corporate personnel: Akihiko Miwa, vp; Terry Mulligan, asst vp

Marketing personnel: Pat Curtiss, power equipment production planning mgr

Brands/services by agency of record:

Power equipment
Motorcycles
Scooters
ATVs

Ad agency: Dailey & Associates, Los Angeles: Dennis Kanagae, vp-mgmt super; Dean Thompson, vp-acct super; Kevin Redfern, acct super; Danny Fujimori, Michael Pack, sr acct execs; Roger Van Remmen, mgmt super, power equipment; John O'Mera, acct super, power equipment; John Wight, asst acct exec, power equipment.

■

Acura autos

Ad agency: Ketchum Advertising, Los Angeles: Craig Mathiesen, president; Peter Goodwin, Kevin Kitagawa, vps-group acct supers; Ron Buckhammer, sr vp-mgmt super; Brent Bouchez, sr vp-creative dir.

■

Honda autos

Ad agency: Rubin, Postaer & Associates, Los Angeles: William Hagelstein, sr vp-group acct dir; Chuck Valentine, vp-acct dir.

RANK
52

Hyundai Group

Seoul, S. Korea
ADVERTISING: **$164.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	3,500	2,200	59.1
Earnings	75	45	66.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	13,987	10,396	34.5
Business pub	310	190	62.8
Magazine	8,110	4,736	71.2
Outdoor	440	112	292.3
Network TV	13,205	4,077	223.9
Spot TV	76,487	46,144	65.8
Spot radio	4,797	1,018	371.4
Measured	117,336	66,673	76.0
Unmeasured	47,000	27,000	74.1
Total	164,336	93,673	75.4

Hyundai Motor America Inc., a U.S. auto sales arm of South Korea-based Hyundai Group, establishing itself as the No. 4 auto importer into the U.S. in 1987, is in just its second year of operation in this country.

Hyundai posted a record 12-month U.S. sales total of 263,610 units last year, up 35.9% over 1986, when its sales covering only 10 months set a record for an import's first year on the market.

Hyundai supported its sales push with ad expenditures estimated at $143.7 million in 1987, up 43%.

U.S. unit sales represented nearly 45% of Hyundai's worldwide total of 591,368, up 168,624 units or 28.5% over the previous year.

Established in 1967, Seoul-based Hyundai Motor Co. (HMC) is a tiny division of a giant Asian construction conglomerate. The company has manufacturing facilities in nearby Ulsan and developed and produced the first Korean compact passenger car "Pony" in 1974.

Hyundai has expanded in the U.S. from the Excel (a version of the Pony), a subcompact, front-wheel-drive, four-cylinder economy car, to include a 1988 lineup of 16 models, with prices ranging from the low-end, three-door four-speed manual shift hatchback at $5,295 to the top-of-the-line GLS four-door automatic shift sedan at $7,895. A full load of factory-installed options can add $2,500, giving the flagship model a $10,400 price tag upon leaving the showroom. Dealers estimate that their average sticker price falls in the $6,500 to $7,000 range. Two newly-announced additions to the '88 line are a sporty Excel GS three-door hatchback and a base Excel four-door sedan.

For the upcoming 1989 model year, Hyundai will introduce toward the end of this year the front-wheel-drive Sonata to compete directly with the more pricey Honda Accord and Toyota Camry. The medium-priced Sonata will be priced $10,000 to $13,000.

Hyundai's U.S. market share in 1987 came to 8.3% of the import market and 2.5% of the total U.S. market, placing it behind Toyota with an 18.5% import share and 5.7% share of the U.S.; Honda/Acura with a 13.4%/4.1% and Nissan, 12.9%/3.9%.

Hyundai is expected to add 45 new dealers this year, giving it a total of 280 U.S. dealerships before the start of the 1989 model year. It has challenged its dealerships to sell 300,000 vehicles in the coming year.

Hyundai dealership investments have been costing dealers an average of about $2.9 million per outlet. Helping to return dealers full value on their investments, Hyundai promises them a minimum of 100 cars per month and the backing of heavy advertising and promotion.

AA's advertising estimates for Hyundai in this issue exclude $11.4 million spending by local dealers but do include the corporate co-op portion of $36 million spent by the Hyundai dealers association. Both expenditures were in spot TV, according to BAR/LNA.

Spot TV claimed $76.4 million in measured media, up 65.8% and network TV more than tripled to $13.2 million. Magazine totals of $8.1 million, were up 71.2%, while $14 million in newspapers represented a 34.5% growth over 1986.

For the introduction of the new 1988 models last fall, Hyundai called on Fats Domino and his "Blueberry Hill" music for TV spots. This was Hyundai's first use of a high-priced spokesman. Called "Lover's Lane," the showcase spot began as a single-model ad, but was broadened to cover all Excel models in Hyundai's primary market, the so-called entry-level cars. Ten other spots for 1988 models centered on a "family of cars" theme, but focused on specific models. They stressed the $5,295 price of the base model and the value of many standard features.

Beginning with regional network spots last fall, Hyundai began its first national network TV in the spring of 1988. The "family" campaign, which included print ads, retained the "Cars that make sense" theme used a year earlier, once again using actor Fred Gwynne to perform all voiceovers. Print ads in magazines and newspapers were keyed in with the TV effort and emphasized product quality and customer satisfaction.

Ads stressed youth, because the average Hyundai buyer is 29 years old with a $28,000 household income; 55% are female and 35% are college graduates. Main competitors, according to Hyundai marketers, are the Nissan Sentra, Honda Civic, Ford Escort and used cars. Average transaction price for Hyundai is $7,300 compared to the $5,700 average price of a used car.

Last fall Hyundai took its first steps into the Midwest with 11 dealers lined up in the Chicago area and others in Kansas, Missouri, Indiana, Minnesota and Ohio, adding 20 more markets this year. By mid-August 1988, the total number of dealers stood at 293, with Hyundai promising to have dealers in 48 states by the end of the year.

At first primarily a regional advertiser, in regional editions of consumer magazines and mostly spot TV, the company aired its first national network TV spots in early 1988. National emphasis came upon entering several new markets in the central states, a geographical expansion that made national advertising worthwhile. In the first half of 1988, according to the Television Bureau of Advertising, Hyundai spent $33.7 million on TV advertising, nearly triple the $12 million spent in the year-ago period. Hyundai expects continental coverage for its dealerships by late 1988 or early 1989.

Hyundai also took aim at Hispanics with a price-value approach that appeals to this market segment. Spot TV and other promotions began in Miami during the third quarter of 1987 and are expected to continue into the future, with ad budgets growing in line with overall ad expenditures. The thrust into the Hispanic market is strictly on a dealer-level, representing Hyundai's factory and four dealer associations. The company began targeting Los Angeles Hispanics in 1988.

Industry analysts estimate Hyundai's 1987 share of the Hispanic car market at 8.2%—a percentage representing $5.6 billion worth of 1987 cars and trucks, up 7.7% from the 1986 model year.

Hyundai is the official sponsor and supplier of vehicles for the Olympic Games in Korea, a distinction that can be expected to raise buyer awareness, along with a special TV ad package Hyundai will offer dealers during the Games. In a collaboration between a car maker and its dealers, Hyundai will share with its four regional dealer associations the cost of the sponsorship, estimated to be as high as $15 million. The company will be running its TV spots with a multimillion budget on NBC-TV, flying dealers to the Games, and giving the Games prime position in its new car introductions this fall.

Hyundai also plans to put about 430 vehicles at the disposal of the Seoul Olympic Organizing Committee. Hyundai was the official sponsor and supplier of motor vehicles to the 1986 Asian Games that were held in Seoul.

HYUNDAI MOTOR AMERICA
7373 Hunt Ave.
Garden Grove, Calif. 92642
(714) 890-6000

Corporate personnel: H.W. Baik, president-ceo; Max Jamiesson, exec vp, coo.

Marketing personnel: Greg Warner, group vp-operation; Art Meissner, vp-natl sales mgr; Jack Collins, mktg dir; Joseph Corey, natl ad

THIS IS MEDIA MONITOR WITH REED IRVINE AND CLIFF KINCAID

HATS OFF
TO MARS

Over the years we at Accuracy in Media have often urged the readers of our newsletter, the AIM Report, to write to companies that have advertised on television programs that are seriously inaccurate or otherwise flawed. All too often the companies write back letters explaining that they can't control the content of the programs they have supported with their expensive commercials. Sometimes they suggest that it would be inappropriate for them to tell a network that they found a program objectionable. We are happy to say that this is changing. Some companies are now willing to speak up.

One that has recently done so most forcefully is Mars Incorporated, the maker of M & M's and Mars candy bars. One of their ads appeared on the CBS Mighty Mouse cartoon in which Mighty Mouse was shown snorting a powdery substance which most viewers perceived as being cocaine. When the top people at Mars heard about this, they were very upset. They asked CBS to supply them with a tape of the program and had it viewed by several members of their staff. Their conclusion was that it depicted "harmful and socially reprehensible conduct."

Edward J. Stegemann, vice president, secretary and general counsel of Mars, wrote a stinging letter to Laurence Tisch in which he said he was writing to express the company's outrage at both the "coke-snorting Mighty Mouse episode" and the way CBS had handled the matter. He said: "This appears to be one of the most irresponsible and unprofessional examples of network programming we have ever heard about." Mr. Stegemann said that as a major advertiser on CBS, Mars had the right to assume that the CBS staff would screen programs before they aired and would "exercise common sense and apply standards of decency" in approving the programs.

Mr. Stegemann said: "We first learned of this outrageous episode when a deluge of consumer and internal complaints suddenly emerged. We. . .were dumbfounded that something like this could have taken place. . .We believe that CBS owes the public an apology for airing so reprehensible an episode. The fact that it appeared during 'children's time' on Saturday morning (and reportedly more than once) just magnifies the misconduct."

We don't know how Laurence Tisch reacted to this letter, but on July 27, CBS announced that it was abolishing the position held by George Dessart, the man who was responsible for keeping objectionable material off the air. CBS did not explain why they were giving Mr. Dessart the axe, but it is reasonable to assume that this was the price he paid for letting the cocaine-snorting episode get on the air and then insisting that there was nothing wrong with it.

CBS had already announced on July 14 that it was editing the Mighty Mouse cartoon to remove the objectionable scene. They still insisted at that time that it depicted Mighty Mouse smelling crushed flowers, not cocaine, but that explanation wouldn't wash. The executives at Mars, like others who saw the videotape, believed their eyes, not CBS lies. We salute Mars for mincing no words in telling CBS that it owed the public an apology. They have set an example that other companies should follow.

AIM
A three-minute radio commentary available five days a week as a public service. For a sample tape, please call Deborah Lambert
ACCURACY IN MEDIA
1275 K Street, N.W., Washington, D.C.
(202) 371-6710

mgr.

Brands/services by agency of record:

Hyundai autos

Ad agency: Backer Spielvogel Bates Worldwide, Irvine, Calif.: Harry Grusche, sr vp-mgmt rep; Bob Svete, vp-acct super; Paula Dyba, acct super; Mark Weinfeld, sr acct exec; Brad Booth, Michael Stoner, acct execs.

RANK
48

IC Industries

Chicago
ADVERTISING: **$169.3** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	4,027	3,516	14.5
Earnings	252	(137)	(284.1)
■ **U.S.**	**1987**	**1986**	**% chg**
Sales	3,422	3,065	11.7
Operating income	334	350	(4.6)
■ **Division sales**	**1987**	**1986**	**% chg**
Pet	1,348	966	39.5
Midas	351	348	0.7
Soft drinks	605	542.5	11.5
Pneumo Abex	967	901	7.4
Hussman	756	759	(0.3)

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	1,734	2,463	(29.6)
Business pub	320	345	(7.1)
Magazine	4,100	2,867	43.0
Newsp supp	68	0	NA
Outdoor	108	95	12.9
Network TV	13,323	21,792	(38.9)
Spot TV	43,447	41,756	4.0
Network cable	37	187	(80.5)
Network radio	4,091	707	478.7
Spot radio	7,083	441	1,505.8
Measured	74,309	70,653	5.2
Unmeasured	95,000	91,000	4.4
Total	169,309	161,653	4.7

IC Industries, which spun off its Illinois Central Gulf Railroad in 1987, has entered a new era as a consumer goods and services company. At the same time, it has built up its Pet Inc. unit through heavy acquisition.

Pet, the big specialty foods unit with operating income of $198.2 million (up 58.1%) on sales of $1.35 billion (up 39.5%) in 1987, during the year acquired a production facility of Country Queen Foods for additional capacity for Downyflake breakfast products, and bought Oronoque Inc., which produces and distributes a line of frozen pie shells in the eastern U.S.

It also acquired Facchin Foods Co. Ltd., a pasta manufacturer, and Miloni Foods Ltd., a sales and distribution company, both in western Canada.

Pet, through its Old El Paso brand has 31.6% of Mexican dry grocery market and 11.3% of the frozen Mexican food market. The El Paso line drew $8.3 million in measured spending in 1987, down 11% from the prior year.

Pet's large Progresso brand, which includes authentic sauces, bread crumbs, frozen entrees, sauces and soups, got the lion's share of Pet's spending with $14.6 million in measured media, according to BAR/LNA, compared to $8.4 million in 1986. Progresso has a 28.4% share of the ready-to-serve market, the company claims.

The group's other big ad ticket item, Ac'cent Flavoring, received $4.1 million in measured media, down 32% from the prior year. Ac'cent holds a 50.4% share of its market.

Pet spending was modest to nil for such leading products as Downyflake and Roman Meal, which hold a 26% share of the frozen waffle market when including their private label manufacturing. Pet also does little media advertising for its Oronoque and Pet-Ritz frozen pie shells, which hold a 68% share of the frozen pie shell market.

Early 1988, Pet's Whitman's Chocolates division introduced nationally a Lite version of its boxed chocolate sampler. The brand has one-third fewer calories than Whitman's regular line. The Haworth Group, Minnetonka, Minn., does media placement.

Pet continued to expand in foreign markets, including Canada, Australia, the United Kingdom and Venezuela.

Pet early this year agreed to change the label and the shape of its Old El Paso picante sauce hourglass bottle which Pace Foods found to be similar to its own packaged product. After more than a year of litigation, it was settled out of court.

On the service side of IC's new direction, Midas International Corp. continued its strong performance, returning operating earnings of $51.2 million, up 14.3%, on sales of $350.7 million, up 0.7%. Midas in 1987 held a 22% share of the U.S. exhaust system service market, 10% of the brake market and 4% of the overall shock absorber, strut and front-end replacement market.

Midas Muffler Shops received $34 million in measured media, down 5.8% from 1986 as its network of stores grew 2% to 2,144. In addition to adding new shops in the U.S. in 1988, Midas plans to expand overseas with an emphasis on France, Canada and Australia. Midas sold its chain of 1-2-3 Auto Service shops in Germany.

IC's Pepsi-Cola General Bottlers became the nation's second-largest Pepsi bottling operation after No. 1 PepsiCo, through the addition to its business of RKO Bottling Inc., covering principal markets in Indiana and Ohio, Pepsi-Cola Bottling Co. of Bloomington, Ill. and Pepsi-Cola Bottling Co. of Milwaukee.

IC now holds its Pepsi unit in joint venture with PepsiCo, although retaining 80% of the expanded operation, compared with 20% for PepsiCo.

The joint venture arrangement emerged in late 1987 as IC attempted to buy RKO Bottling Inc. from GenCorp. PepsiCo, which must approve the exchange of any franchises, turned down the purchase wanting to increase its own bottling operations. The out-of-court compromise allowed both to expand.

PepsiCo got a proportionate share of profits and representation on the 10-member Pepsi-Cola General Bottlers board, and IC got a much larger operation that encompassed the Bloomington franchise bought by PepsiCo in November 1987, and the Milwaukee franchise, which had been part of PepsiCo's company-owned bottling system.

The bottling operation at IC for the third consecutive year showed an increase in operating income of $65.9 million, up 19.8%. The bottler, which had owned Dad's Root Beer Co. and Bubble Up Co., sold those units on Dec. 14, 1987 to Monarch Co. for an undisclosed price.

In 1987, the bottling division introduced Diet Mountain Dew in Des Moines, Iowa.

In addition to spinning off Illinois Central Railroad, IC sold off Pneumo Abex, its aerospace, industrial and fluid power concern, to a consortium of the Henley Group and the investment banking firm of Wasserstein, Perella & Co. for $1.29 billion in mid-1988.

IC INDUSTRIES
111 E. Wacker Dr.
Chicago, Ill. 60601
(312) 565-3000

Marketing personnel: Wendell W. Larsen, sr vp-corp affairs; Charles H. Connolly, vp-corp communications.

Brands/services by agency of record:

Corp adv

Ad agency: Gardner Advertising, St. Louis: Aly Johnsen, acct super.

Pet Inc.
St. Louis, Mo.

Corporate personnel: A. James Matson, vp-sales & mktg.

Marketing personnel: John Ferguson, vp-mktg, Mexican Foods; Syl Stevenson, vp-mktg, Italian foods; Gerald Hayes, vp-mktg, Specialty Foods; John Mackey, vp-mktg; John Donald, dir mktg-frozen dessert & breakfast; Lynn Wittles, dir mktg-Hain & Hollywood natural foods.

Whitman's Division

Corporate personnel: Ray De Riggi, president.

Marketing personnel: Tom McNulty, vp-sales & mktg.

Brands/services by agency of record:

Whitman's div

Ad agency: Workshop West, Beverly Hills, Calif.: Elliott Uberstein, chmn & president.

Midas International Corp.
Chicago, Ill.

Marketing personnel: Russell J. Richards, vp-franchise operations, mktg; Karen Greco, adv mgr; Ralph F. Linder, vp-mktg.

Brands/services by agency of record:

Midas Intl

Ad agency: Wells, Rich, Greene, Chicago: Larry Singer, president; Vance Webb, sr vp-mgmt super; Todd Ochsner, natl acct exec.

Pepsi-Cola General Bottlers
Chicago, Ill.

Corporate personnel: Gerald McGuire, president & ceo; Maynard Nehring, exec vp.

Brands/services by agency of record:

Pepsi-Cola General Bottlers

Ad agency: (In-house): Genadco Advertising, Chicago: P.J. McCarthy, vp-adv.

RANK
39

International Business Machines Corp.

Armonk, N.Y.
ADVERTISING: **$ 240.8** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	54,217	51,250	5.8
Earnings	5,258	4,789	9.8
■ **U.S.**	**1987**	**1986**	**% chg**
Sales	24,937	25,362	(1.7)
Operating income	1,936	1,603	20.8
■ **Division sales**	**1987**	**1986**	**% chg**
Processors	13,989	13,161	6.3
Peripherals	10,591	11,264	(6.0)
Workstations	10,429	9,429	10.6
Maintenance svcs	7,691	7,413	3.8
Program prods	6,836	5,514	24.0
Other info handling	2,376	2,280	4.2
Federal systems	2,238	2,121	5.5
Other business	67	68	(1.5)

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	18,915	16,646	13.6
Business pub	8,926	13,307	(32.9)
Magazine	35,389	39,008	(9.3)
Newsp supp	858	1,373	(37.5)
Outdoor	95	31	204.2
Network TV	53,738	69,906	(23.1)
Spot TV	1,548	1,335	16.0
Network cable	472	1,129	(58.2)
Network radio	5,434	7,524	(27.8)
Spot radio	469	4,259	(89.0)
Measured	125,846	154,518	(18.6)
Unmeasured	115,000	141,000	(18.4)
Total	240,846	295,518	(18.5)

International Business Machines positioned itself in 1987 for a comeback from three consecutive years of disappointing earnings. It introduced key new products, trimmed 10,000 from the payroll and redeployed some 15,000 employees. Now some experts wonder if another shoe is about to drop.

Complicating matters for the computer maker was a sideshow distraction in the form of a highly-publicized court battle concerning London-based WPP Group, parent of Lord, Geller, Federico, Einstein, New York, IBM's agency for corporate and information systems accounts, and a breakaway agency formed by six key LGFE executives: Lord, Einstein, O'Neill & Partners, New York.

The two agencies were among six finalists in an agency review for the lion's share of $138 million media account at IBM in 1988 which was awarded in early September to Lintas:Worldwide and Wells, Rich, Greene, both of New York. Lintas will handle desktop products while WRG is assigned to corporate advertising.

Despite a raft of key product introductions and line extensions in 1987 and

The best salespeople don't knock on wood.

They know it takes more than luck or seat-of-the-pants smarts to make it in today's economy. That's why some of the best—both new and senior sales executives—go to the American Management Association for their training.

Since 1924, AMA has offered more sales programs…to more executives…than any organization anywhere.

Whether you need a short training program for yourself or for your sales force, you can take your pick—from courses designed *specifically* for new sales reps, district managers, field managers, and general sales managers.

AMA's course leaders can spare you some of the "knocks."

Our instructors are like your top performers. They know what it takes to motivate staff, open business opportunities and close sales because they've been there. In a matter of days—not months—you'll be privy to new and proven ways to get the job done better.

AMA's quality is guaranteed 100%.

You risk nothing. If you have paid your fee in advance and are not satisfied with the course, you can ask for—and get—credit toward another course of comparable length or a full refund. Period.

Get your free **AMA Sales and Marketing Course Catalog** or inquire about individual courses with this coupon. Or call **(518) 891-0065.**

RETURN TO:
American Management Association
Attn: Stephanie Frost, Marketing Manager, Dept. XOSM
135 West 50th Street, New York, NY 10020
(518) 891-0065

☐ **YES!** Please send me your free **Sales and Marketing Course Catalog.**
☐ **Send more information on:**
☐ **AMA's Sales Management Courses**
☐ **AMA's Sales Skills Courses**
☐ **Sales Planning**
☐ **Managing the Distributor Sales Network**
☐ **AMA's Annual Sales & Marketing Conference, June 26–29, 1989 in New York City**

AMA
American Management Association
Helping You Compete Worldwide Through Better Management

Name/Title ____________________
Company ____________________
Address ____________________
City/State/Zip ____________________
Telephone No. ____________________
(area code)

00500-02793/Printed in U.S.A.

RUTH SKLAR ASSOCIATES, INC.
executive search professionals
- Packaged Goods
- Financial Services
- Advertising Agencies
- Consumer Marketing
- Sales Promotion
- Direct Marketing

475 Park Avenue South
New York, NY 10016
(212) 213-2929

1988, IBM faces enormous hurdles in returning to the level of growth attained in the early 1980s, analysts say.

In the $20.3 billion market for personal computers, IBM continues to lose market share to Asian and domestic competitors. IBM's unit share of systems priced up to $10,000 fell to 17.8% in 1987 from 19.2% in 1986 on industrywide shipments of 8.6 million and 7 million units for the respective years, according to San Jose, Calif.-based Dataquest, a division of Dun & Bradstreet.

By comparison, No. 2 Apple Computer's unit share grew to 14.2% in 1987 from 12.5% in 1986, and the share of No. 3 Commodore Business Machines, West Chester, Pa., grew to 7.8% of units shipped in 1987 from 6.1% in 1986.

IBM's seven-media measured spending for personal computers fell 9% in 1987 to $42.5 million, led by $37.9 million in measured totals for the IBM Personal System/2, according to BAR/LNA.

Analysts said one reason why IBM's PS/2 is not taking the industry by storm is that its advertising fails to communicate why PS/2 is better than competing products. PS/2, which was introduced in April 1987, is based on 16- and 32-bit microprocessors, but its most powerful models contain an IBM innovation called Micro Channel.

Micro Channel is a set of communication lines that shuttle information back and forth among the computer's memory, disk drive and processor, providing greater convenience and speed. IBM has applied for patents and copyrights on Micro Channel, which will help it to defend its proprietary system against the onslaught of clones.

The problem is that IBM has not yet released the Operating System/2 Extended version of the applications software needed to make use of PS/2's Micro Channel architecture. OS/2 Extended is not expected until November 1988.

Not surprisingly, IBM de-emphasized advertising in 1987 for PC software, cutting back 83% on measured seven-media totals to $665,000.

"Until IBM releases OS/2, it really hasn't provided people with a real difference," said Stephen Cohen, analyst with Gartner Group, Stamford, Conn. "A (marketing) difference is what IBM needs to be successful with PS/2, and it is clearly what Apple has done (with Apple's MacIntosh line of personal computers)."

The problems in communicating IBM's point of difference also extend into corporate themes, said analyst Brian Jeffery, managing director of International Technology Group, Los Altos, Calif.

IBM's measured total for corporate advertising, the largest category of 1987 spending, was $39.6 million, mostly in network TV, according to BAR/LNA, which monitors seven media. The tally was up 42% over 1986.

In April 1987, IBM began changing the focus of personal computer and corporate advertising from spotlighting a single user accomplishing business and personal objectives to showing a group of users accomplishing inter-related tasks. In changing its approach, IBM shelved the popular Charlie Chaplin character, who symbolized the single user, in favor of the group, represented by the main characters from the CBS TV series "M*A*S*H."

Mr. Jeffery believes the "M*A*S*H" unit is not effective in getting across such corporate themes as group computing, connectivity, communication and integration of systems. "I think the whole concept is wrong. It basically says the PC revolution is over, and now we should be connected to the mainframe," Mr. Jeffery said. "The average PC user still looks at (the computer) as an individual tool," he said. "Besides, would you buy a corporate network from Radar O'Reilly?"

Part of IBM's problem today stems from its emphasis over the past few years on boosting lackluster revenues by any means. The computer giant's strategy of selling more mid-range units by discounting—to support a cost structure geared to high volume sales—worked so well it is choking off today's market, Mr. Jeffery said.

This may have an effect on sales of an important new mid-range series, the Application System 400, introduced in June 1988. IBM has six AS/400 models priced from $19,000 to $229,500, which are expected to significantly boost IBM's sales beginning late in 1988.

IBM began in March 1988 shipping its 9370 Information System, a larger mid-range computer introduced in October 1986, dubbed "the VAX killer." IBM hopes communications capabilities of the AS/400 and 9370 will help stem the flow of customers to fast-rising Digital Equipment Corp.'s VAX minicomputers. DEC's VAX system features interconnectivity between all VAX products, an advantage DEC uses in winning corporate users.

The transition in IBM's product line from such stand-alone workhorses as the IBM System 36 and System 38 to the AS/400 and 9370 also is causing a significant shift in IBM's media spending. In 1986, IBM had a measured seven-media total for Systems 36 and 38 of more than $6 million, including $2.5 million in network TV. In 1987, Systems 36 and 38 received less than $1 million, all in network radio.

AS/400 and the 9370 are expected to provide IBM with a much-needed boost in sales. IBM could use the help. In the $3.1 billion market for minicomputers priced between $25,000 and $75,000, IBM's unit share dropped to 33.6% in 1987 from 41.9% in 1986 while DEC's share jumped to 17.1% from 7.3%, respectively, according to Dataquest.

In the $3 billion market for systems priced $75,000 to $250,000, IBM's unit share fell to 26.1% in 1987 from 38.6% in 1986. Unisys' share grew to 12.8% in 1987 from 9.6% in 1986, and Hewlett-Packard's share jumped to 10.2% from 2.3% in the same period.

In the $3 billion market for systems priced from $250,000 to $1.5 million, IBM's unit share fell to 24.7% in 1987 from 33.2% in 1986. Meanwhile, Unisys' unit share jumped to 20.3% in 1987 from 11.47% for Burroughs Corp., which merged in February 1986 with Sperry Corp. to form Detroit-based Unisys.

The good news for IBM is that its share of the $7.1 billion market for systems priced $1.5 million and above grew to 63.1% in 1987, from 55.8% in 1986. In this category, IBM distanced itself from Unisys, which had 13.8% in 1987, down from a combined share of Burroughs, with 11.4% in 1986, and Sperry, with 6.7% in 1986, according to Dataquest.

Management changes at IBM also may have had an effect on IBM's selection of a new agency. Among the changes, IBM Senior VP George H. Conrades was moved to general manager of U.S. marketing and services from general manager of IBM's personal computer business. IBM VP William O. Grabe takes the new post of assistant general manager-marketing for U.S. marketing and services from assistant general manager-marketing for IBM's midrange computers. Because neither Mr. Conrades nor Mr. Grabe has had any major involvement with IBM corporate advertising, their voices in agency selection virtually eliminated whatever advantages of personal contacts that either Lord, Einstein & O'Neill or LGFE may have had in fighting to keep all or part of IBM's business. Jim Garrity, former marketing communications director, was named to the new post of director of advertising and promotion while David McGovern, former director of advertising, became director of recognition and marketing events in August 1988.

IBM CORP.
Old Orchard Road
Armonk, N.Y. 10504
(914) 765-1900

Corporate personnel: K.V. Cassani, vice chmn; M.B. Puckett, vp-comm; C.C. LaRoche, dir-adv & promo; J.F. King, dir-adv & promo operations; M.C. Gury, mgr-corp tv adv & promo; M.B. Gordon, mgr-corp print adv.

U.S. Marketing & Services

Marketing personnel: T.R. Lautenbach, sr vp, genl mgr-IBM US; G.H. Conrades, sr vp, genl mgr; W.O. Grabe, vp, asst genl mgr-mktg; J.C. Reilly, genl mgr-mktg plans & comm; C.B. Holleran, dir-comm; J.J. Garrity Jr., dir-adv & sales promo; S.A. Gray, adv mgr-workstation, admin prod; Eugene E. Wyatt, adv mgr-systems, sector; T.B. Heckel, mgr-mkt place adv.

Brands/services by agency of record:

Desk-top prods

Ad agency: Lintas:Worldwide, New York: Stephen Norcia, exec vp.

■

Corp adv
Mktg image adv
Mainframes
Telecommunications
Semi-conductors
AS/400 computers
Solution programs
Software

Ad agency: Wells, Rich, Greene, New York: Kenneth Olshan, chmn-WRG Worldwide; Charles Moss, vice chmn-creative dir.

Systems Integration Division

Marketing personnel: R.F. Dunkin, mgr-adv & promo svcs.

Brands/services by agency of record:

Systems Integration Division

Ad agency: HDM, New York: Jim Rosiello, vp-media super; Larry Lue, acct exec.

RANK
58

ITT Corp.
New York
ADVERTISING: **$ 151.3** MILLION

Don't sell Tokyo short

World finance is banking on Japan, and for more than a century Japan has been banking on Tokyo. The greater metropolitan area now accounts for two-thirds of the value of stock sales in Japan. Of the 2,000 companies listed on the Tokyo Exchange, more than half have their head offices in and around the capital.

Little wonder that every tier of Japanese business looks to the Asahi Shimbun's Tokyo edition for what it needs to know. With a circulation of 3,318,000 and an impressive 59.6%* of our readers management, executive, and professional decision makers, advertisers get a powerhouse media market at regional rates.

Another factor to consider. If you want to concentrate on Tokyo buyers, you can do exactly that by placing your message in Asahi Shimbun's Tokyo morning edition. You'll get Tokyo and Tokyo alone. If, however, you place that same ad in the morning edition of another paper that has national circulation only, 40% of your money will be wasted.

For the most cost-effective way to give your target audience complete exposure to Tokyo, contact your local Asahi Shimbun representative.

You won't be sold short.

Japan's leading businessmen's newspaper

Asahi Shimbun

Tokyo 104-11, Japan

Asahi Shimbun's Sister Newspaper in the English language ASAHI EVENING NEWS

Asahi Shimbun New York Business Bureau, c/o Powers International, Inc.
271 Madison Avenue, Suite 708, New York, N.Y. 10016 U.S.A.
Tel.: (212) 867-9582 Telex: 236514 JBP UR

* Mass Media Research, September, 1987

IS THE JAPANESE CONSUMER DIFFERENT?

Yes, in many ways. And that makes it all the more important for you to know the differences. Knowing and making sense of these - often subtle - differences is our business. So trust CBS to guide you with mature professional expertise.

CBS - CONSUMER BEHAVIOUR STUDIES - is the logistic core of a centrally controlled networking system that harnesses the skills and experience of independent experts on Japanese consumer trends and behavior. Our services cover all quantitative and qualitative aspects of consumer behavior research and focus on:

- Identification of market opportunities
- development of product formula/concept
- tracking surveys and post-launch counselling

Let CBS help you to make your launch in one of the world's most attractive and challenging markets an effective one.

CONSUMER BEHAVIOUR STUDIES INC.
6F. Tanabe Bldg 2
1-9 Shibuya 3-Chome
Shibuya-Ku, Tokyo 150 Japan
Tel. 03-486-0006 Fax. 03-486-0649

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	19,525	17,437	12.0
Earnings	1,019	528	93.0
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	14,634	13,555	8.0
Operating income	821	532	54.3
■ *Division sales*	*1987*	*1986*	*% chg*
Automotive	2,437	2,027	20.2
Electronics	1,061	844	25.7
Fluid technology	790	707	11.7
Defense technology	1,279	1,279	0.0
Insurance	9,507	8,192	16.1
Financial svcs	1,467	1,359	7.9
Communications	896	735	21.9
Hotels, devel	737	675	9.2

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	3,851	2,239	72.0
Business pub	6,898	6,133	12.5
Magazine	12,699	14,571	(12.8)
Newsp supp	287	213	34.8
Outdoor	1,310	1,181	10.9
Network TV	8,160	7,764	5.1
Spot TV	13,613	7,920	71.9
Network cable	1,037	779	33.0
Network radio	363	530	(31.6)
Spot radio	2,105	0	NA
Measured	50,321	41,331	21.8
Unmeasured	101,000	83,000	21.7
Total	151,321	124,331	21.7

ITT Corp., whose far-flung interests include high technology, insurance, hotels and timber, increased its 1987 ad expenditures by 21% after turning the corner and producing strong gains in all but one of its nine major business segments.

Although company officials say improved manufacturing techniques, financial controls and focus on its core businesses are more important to the future success of the company than marketing, it ordered a $150 million worldwide ad review in early 1987 that included a review of all of the company's agencies.

That review resulted in ITT hiring Wells, Rich, Greene of New York to create a new corporate ad campaign. Steven Erenburg, company spokesman, said the campaign is designed to let the world know what business ITT is in. ITT spent $5.5 million on general promotion, up 14.6%, according to BAR/LNA.

Mr. Erenburg explained that many still identify ITT with communications. The company operates a long distance telephone company and it paid $2 billion for a 37% interest in Alcatel, the largest communications company in the world. "We won't let the world forget that," Erenburg said. The problem is that the public does not identify with some of ITT's manufacturing operations such as automobiles and fluid technology.

The TV campaign, which has been running since last year, largely in spot TV, features examples of all the ITT businesses. The ads ask the rhetorical question "What is it?" Then it answers, "It is ITT."

The total in ad expenditures of $151.3 million in 1987 included $101 million in unmeasured spending, up 21.7% from 1986. ITT spends heavily in business periodicals, evidenced by a $6.9 million measured total in 1987, up 17%. However, many of business publications in which it advertises are not monitored by Rome Reports. AA folds that spending into unmeasured totals.

ITT continues to fine tune itself. Chairman Rand Araskog has spent much of the last few years divesting the company of acquisitions made by his predecessor, Harold Geneen.

In 1987, that meant the sale of ITT's remaining 24% share of STC, a British telecommunications company. The $730 million STC sale, which was completed in the fourth quarter of 1987, created a $250 million gain for ITT.

ITT World Communications telex operations was sold off in the U.S. and Latin America. At the same time, ITT sold Virgin Island Telephone Corp., its last full-service telephone company. The telex and telephone company sales netted the company a total of $220 million.

Regarding the divestment programs, Mr. Erenburg said, "It's pretty close to being finished—I can't say it's ever going to be done."

ITT's Hartford Insurance Group stayed strong despite an industrywide softening in the domestic property and casualty market. Hartford Life had $50 billion of insurance in force in 1987 and the company touted that as a major milestone reached by only seven other companies.

Flush with its success, Hartford Insurance returned to TV after several years absence. The campaign features its familiar elk trademark. Ad spending for Hartford grew by 60.3% to $10.9 million in 1987, according to BAR/LNA.

Sheraton Corp. posted a turnaround in hotel operations in 1987 and expanded its foreign operations with new properties in the People's Republic of China, Australia and Bulgaria. The company spent $10.4 million on advertising, up slightly from 1986.

The automotive products division strengthened its position as an original equipment manufacturer, and ITT Automotive announced plans for a new engineering center and world headquarters in Detroit.

The company also made strides in electronic components. ITT Cannon reached a 1987 agreement with Toppan Printing Co. of Tokyo to jointly develop an alternative to floppy disks that is about 1,000 times faster than existing technology and the size of a credit card.

ITT consolidated its 36 fluid manufacturing facilities and more than 100 fluid product sales operations under ITT Fluid Technology.

ITT's pulp and timber mills operated at near capacity last year, and the company launched an off-shore marketing campaign directed at the People's Republic of China, Japan and England.

ITT CORP.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000

Marketing personnel: Juan C. Cappello, sr vp-corp relations & adv; Stephen A. Erenburg, dir-corp comm.

Brands/services by agency of record:

Corp adv

Ad agency: Wells, Rich, Greene, New York: Frank Sampogna, acct group head; Lisa Karp, acct exec.

Hartford Insurance Group
Hartford, Conn.

Marketing personnel: John J. Daly, creative comm; Greg King, asst dir-creative comm.

Brands/services by agency of record:

Hartford insurance

Ad agency: McCaffrey & McCall, New York: Ralph Cohen, exec vp, dir-acct svcs; Winifred Barnes, sr vp-mgmt super; Sophia Kozlowski, acct exec.

Sheraton Corp.
Boston, Mass.

Marketing personnel: Robert Collier, vp, dir-mktg; Robert Quinn, vp, dir-adv; Adrienne Davis, vp, assoc dir-adv.

Brands/services by agency of record:

Sheraton hotels

Ad agency: Della Femina, McNamee WCRS, New York: James Smith, group adv dir; David McConnaughey, mgmt super; Abe Gorelick, acct super; Sally Camp, acct exec; Debra Kersey, asst acct exec.

We impressed Rand McNally who named the Research Triangle cities the third most liveable place in the country.

We continue to impress the highest number of Ph. D.'s per capita of any place in the nation, enough to make them want to live here.

We impressed the U.S. Census Bureau as one of the fastest growing areas in the U.S. with one of the lowest unemployment rates anywhere.

We've also impressed a lot of local, regional and national advertisers with great circulation and a lower CPM than broadcast media in North Carolina's Triangle.

AND SOME PEOPLE STILL THINK WE'RE WHERE BARNEY AND GOMER COME FOR EXCITEMENT.

The News and Observer
THE RALEIGH TIMES
Durham Morning Herald
THE SUN
Duke doctor cautions on child's flu-like illness

With one rate, one bill via

Branham

NEWSPAPER SALES

TOLLFREE: 1-800-221-4596

RANK
20

Johnson & Johnson

New Brunswick, N.J.

ADVERTISING: **$ 459.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	8,012	7,003	14.4
Earnings	833	330	152.4
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	4,167	3,972	4.9
Operating income	600	602	(0.3)
■ *Division sales*	*1987*	*1986*	*% chg*
Consumer	3,398	3,010	12.9
Professional	2,621	2,262	15.9
Pharmaceutical	1,993	1,731	15.1

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	790	1,339	(41.0)
Business pub	668	620	7.7
Magazine	32,816	22,471	46.0
Newsp supp	853	44	1,855.7
Outdoor	137	130	4.8
Network TV	181,999	164,322	10.8
Spot TV	8,953	7,731	15.8
Network cable	2,569	5,292	(51.5)
Network radio	138	1,376	(90.0)
Spot radio	1,349	2,634	(48.8)
Measured	230,271	205,959	11.8
Unmeasured	229,000	205,000	11.7
Total	459,271	410,959	11.8

Introduced last year into the fast growing ibuprofen market for those of us who "haven't got the time for the pain," Johnson & Johnson's Medipren hasn't received the national attention its producers believe it deserves.

Despite backing Medipren with $32.9 million in ad dollars, up from $11.3 million in 1986, J&J remains dissatisfied with Medipren's 13% market share which is far behind the leading 50% share accorded American Home Products' Advil, introduced in 1985, and Bristol-Myers' No. 2 Nuprin with a 25% share among ibuprofens.

AHP backed Advil with $48.4 million in measured support, while Bristol-Myers put $32.2 million behind Nuprin during 1987, according to BAR/LNA.

J&J has the financial strength and is likely to use it to support greater ad spending for Medipren and its feminine sanitary protection products since there continues to be growth in these markets, believes Joseph Riccardo of Bear Stearns.

Johnson & Johnson's Stayfree line, consisting of Stayfree Maxi and Silhouette Maxi-Pads, Assure & Natural, Carefree Panty Shields and Sure & Natural, continues to be the leader in $1.5 billion external feminine protection category, although market shares are declining.

The Stayfree line holds a 34.6% market share, down four share points from the spring 1987.

Measured advertising for the Stayfree line totaled $20.2 million in 1987, down 5%. Measured ad spending decreased by 88% in 1987 for Stayfree Maxi-Pads and fell 35% for Stayfree Silhouette Maxi-Pads. J&J refunneled spending behind Sure & Natural Maxishields, which received $9.3 million in measured advertising, up from $3 million in 1986.

Procter & Gamble's Always line, introduced in 1984, has gained the No. 2 position in external feminine protection with a 24% market share this year, compared with a 26.5% share in the spring 1987. Always is backed by more than $20 million in promotions.

Kimberly-Clark's Kotex currently holds a market share of 15.2%, a gain of 4.2 share points from the spring of 1987. K-C's New Freedom brand claims an 8.5% share. K-C proved the aggressor in the market in 1987 when it launched Kotex profile, an hour-glass-shaped maxi-pad. Then in April 1987, K-C began individually wrapping Kotex pads with a reusable plastic bag and combining them in drawstring poly bags, similar to those used for disposable baby diapers. This led to mimic products from J&J and P&G for Stayfree and Always lines, respectively.

In February 1988, Johnson & Johnson announced the acquisition of the Playtex Family Products part of Playtex for $726 million and three months later withdrew its bid.

Although execs from Johnson & Johnson have been silent about the withdrawal, Samuel Isaly of S.G. Warburg & Co., Inc. speculates that due to the association of tampons with toxic shock syndrome, J&J wanted to leave the liability aspect with Playtex, and Playtex did not accept.

"Difficulties in structuring and completing the definitive agreements for the transaction," was the reason given to AA by a J&J spokesman when the merger did not occur. J&J obviously eyed Playtex for its tampon line that could give it a greater market force with its own 'o.b.' brand against Tambrand's Tampax, which has a commanding 60% share of the tampon segment.

In June 1988, o.b. remained third in the internal feminine protection market with 8% of the market, Playtex held on to second with 24.4% and Tampax led with 62.4%. According to Andy Shore of Shearson Lehman Hutton Inc., o.b. is a dead product in a price-elastic market in the States, but is now popular in France.

Although the Tylenol scare of 1986 and a $130 million recall loss is behind them, J&J decreased its total ad dollars for the brand. In 1987, the Tylenol line ad spending was $55.7 million, down 8.5%.

Within the brand spending, advertising has shifted to Tylenol tamper-proof caplets which J&J developed to replace capsules.

Earlier this year, Tylenol had a 30% market share of the $2.2 billion analgesic market, but analysts expect new studies on aspirin's ability to fight heart attacks to affect market shares.

According to Mr. Riccardo, by June 1988, J&J held 33% of the analgesic market, while American Home Products claimed 18%, Bristol-Myers 13% and Sterling 11%.

Tylenol Extra Strength Liquid, a new product this past year, was advertised only briefly on spot TV, according to BAR/LNA.

During 1987, Imodium-AD, an anti-diarrheal drug, was introduced with a $5 million ad drive. Sesame Street Vitamins for Children was introduced with modest ad spending.

In 1988, Acuvue, the highly publicized disposable contact lens product, was introduced in July 1988 and created another division in the $500 million lens market. Bausch & Lomb and SeeQuence are soon to follow with disposable lenses of their own. The disposable lenses combat build-up and irritations in the eyes.

Also introduced were Johnson's Baby Oil Mousse, body oil; Tylenol Gelcaps, oval-shaped pills coated with gelatin de-

SPACE SALES

We've been a leader in space sales recruitment for over 20 years. That's long enough for most newspapers and magazines to make us their obvious choice.

If you can demonstrate an outstanding track record with a minimum of 1-5 years experience, we can introduce you to your future. Right now.

Call or write Jeff Sherman

SAXON PERSONNEL
Lew Sanders, Pres.

505 Fifth Ave., Suite 300, NY, N.Y. 10017
(212) 557-9140 **agency**

signed to be easier to ingest and more tamperproof than capsules; and introduced in 1987, Johnson's Baby Sunblock.

Johnson & Johnson's Sundown Sunscreen is tied for third in the suncare market with Westwood's PreSun. The total market share of all suncare products is led by Schering-Plough, maker of Coppertone QT, with 38% of the market.

In other news, Retin-A, a 16-year-old anti-acne drug, may be reintroduced to the public as an anti-wrinkle cream, if approved by the FDA. It would become the only prescription anti-wrinkle cream on the market. Other OTC anti-wrinkle creams are being heavily scrutinized by the FDA. Sales are taking off without a formal reintroduction, said Mr. Isaly, who said initial control studies released in 1988 prove that Retin-A reduces photo aging, sometimes caused by sun exposure. Studies also show the cream does not reduce intrinsic aging, he said.

J&J was among the biggest spenders during ABC's 1988 Winter Olympics. The company's network TV spending for the first quarter 1988 totaled $41 million, according to BAR/LNA.

J&J was among the Reggie winners chosen by AA for best sales-promotion campaigns in 1987. J&J produced sales increases for several products with Shelter Aid, a cause-related marketing program to combat domestic violence. This October 1987 promotion for the National Coalition Against Domestic Violence resulted in a 6% point share increase for participating Johnson & Johnson's Personal Products brands.

JOHNSON & JOHNSON
1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201)524-0400

Johnson & Johnson Healthcare

Corporate personnel: F.G. Ziegler, president.

Marketing personnel: J.J. Guidone, vp-sales; R. E. Whittaker, vp-prod mgmt.

Brands/services by agency of record:

J&J Healthcare

Ad agency: Young & Rubicam, New York: Barbara Islim, acct super; Jennifer Podger, acct exec.

Johnson & Johnson Orthopaedics

Corporate personnel: A.J. Prince, president.

Marketing personnel: G.K. Kunkle, vp-sales & mktg.

Brands/services by agency of record:

J&J Orthopaedics

Ad agency: Simms & McIvor, Bond Brook, N.J.: Joe Cramp, acct exec.

Johnson & Johnson Patient Care

Corporate personnel: T.M. Gorrie Ph.D., president.

Marketing personnel: M.P. Reilly, dir-prod mgmt; J.J. Bohan, vp-sales.

Brands/services by agency of record:

J&J Patient Care

Ad agency: Gross, Townsend, Frank, Hoffman, New York: Risa Janoff, vp-group acct super.

Johnson & Johnson Baby Products Co.

Corporate personnel: W.C. Egan, president.

Marketing personnel: W.M. Carpenter, vp-mktg.; W.J. Pontius, S.L. Coleman, mktg dirs.

Brands/services by agency of record:

Take Off

Ad agency: Saatchi & Saatchi DFS Compton, New York: Tom Lom, exec vp; Linda Honan, sr vp-mgmt super; Cathy Offenberg, acct exec.

■

Affinity shampoo & conditioner
Baby shampoo & conditioning
No More Tangles
Swabs

Ad agency: Lintas:New York: Ian McGregor, exec vp; Cynthia Williams, vp-mgmt super; Frances Murchison, Curtiss Bruno, acct supers.

■

Baby lotion
Baby oil
Baby powder
Baby sunblock
Shower to Shower
Sundown

Ad agency: Young & Rubicam, New York: Anne Zopfi, group dir; Susan Machtiger, mgmt super; Tim Monoz, acct super; Nancy Katz, Edith Benzimra, acct execs.

McNeil Consumer Products Co.
Fort Washington, Pa.

Marketing personnel: C.D. Simmons, president; J.T. Lenehan, vp-mktg; J.J. Gallagher, vp-sales; V.E. Brunell, exec dir-professional sales & mktg; J.L. Strickler, dir-mktg rsch; E.A. Behmer, dir-comm; J.R. McGann, dir-sales promo.

Brands/services by agency of record:

Pediacare

Ad agency: Cadwell Davis Partners, New York: Franchellie Cadwell, president; Herman Davis, chmn & creative dir; Eliot Glazer, sr vp, dir-acct svcs.

■

Delsym
Imondium A-D
Pediacare
Professional Adult Tylenol

Ad agency: Kallir, Philips, Ross, New York: John Racik, exec vp-mgmt dir; Ernestine McCarren, sr vp-mgmt super; Anne Bentley, vp-acct group super.

■

Professional Medipren

Ad agency: Klemtner Advertising, New York: Albert P. Mollinaro, president.

■

Imodium A-D
Medipren

Ad agency: Lowe Marschalk, New York: Barry Linsky, exec vp-mgmt dir; Robert Petersen, sr vp-mgmt super; Mike D'Souza, Amy Earl, acct supers.

■

Hispanic adv

Ad agency: Mendoza, Dillion & Asociados, Newport Beach, Calif: Richard E. Dillon, president; Robert Howells, vp-acct svcs.

■

Adult Tylenol
Children's Tylenol
Delsym
Tylenol Cold
Tylenol Sinus
Sine-Aid

Ad agency: Saatchi & Saatchi DFS Compton, New York: Tom Lom, exec vp-mgmt dir; Joe McCarthy, Vicki Tencati, vps-mgmt supers.

McNeil Pharmaceutical
Spring House, Pa.

Marketing personnel: J.A. Kitchen Jr., vp-mktg; J.C. Vaughan, natl sales mgr; C.E. Williams, vp-prod mgmt; E.R. Steel, exec dir-corp comm; N.A. Panzenbeck, dir-mktg rsch.

Brands/services by agency of record:

Tylenol with codeine
Tylox
Pancrease

Ad agency: Botto, Roessner, Horne & Messinger, New York: R.J. Botto, president.

■

Haldol
Parafon Forte

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, exec vp.

■

Toletin

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.: John Sweig, sr vp.

Personal Products
Milltown, N.J.

Marketing personnel: Pierre J. Dupasquier, chmn & president; M.H. McGuire, vp-mktg; C.C. Bergmann, dir-mkt mgmt; J.D. Curtiss, E.S. Faxstein, C.A. Goggins, group prod dirs; M.K. Heffler, dir-promo.

Brands/services by agency of record:

o.b. Tampons

Ad agency: Cadwell Davis Partners, New York: Eliot Glazer, sr vp, dir-acct svcs.

■

Assure & Natural Breathable panty liners
Carefree Panty Shields
Serenity Guards
Sure & Natural Maxishields

Ad agency: Lintas:New York: Ian MacGregor, exec vp-client svcs.

■

Stayfree maxi-pads
Stayfree mini-pads
Stayfree Thins

Ad agency: Young & Rubicam, New York: Ann Zopfi, group dir.

■

Stayfree Silhouettes maxi-pads
Stayfree Silhouettes thins

Ad agency: Saatchi & Saatchi DFS Compton, New York: David Basch, exec vp-mgmt dir.

Johnson & Johnson Dental Care Co.
New Brunswick, N.J.

Marketing personnel: C.M. Selquist, vp-mktg; C.A. Spalding, president.

Brands/services by agency of record:

J&J Dental Care Co.

Ad agencies: Cadwell Davis Partners, New York: Eliot Glazer, sr vp, dir-acct svs.

Gross, Townsend, Frank & Hoffman, New York: Risa Janoff, vp-group acct super.

Lowe Marschalk, New York: Barry Linsky, exec vp-mgmt dir.

Ortho Pharmaceutical Corp.
Raritan, N.J.

Corporate personnel: M.D. Casey, vp.

Brands/services by agency of record:

Ortho Pharmaceutical Corp.

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, vp-acct super.

Advanced Care Products Division

Marketing personnel: D.B. Bellaire, vp-mktg; J.L. Abramson, dir-mktg info & strategic planning.

Brands/services by agency of record:

Advanced care prods

Ad agency: Barnum Communications, New York: Robert Bond, sr vp.

■

Fact Home Pregnancy Test

Ad agency: McCann-Erickson, New York: H.L. O'Brien, sr vp-mgmt rep.

Dermatological Division

Marketing personnel: L.W. Riley, vp.

Brands/services by agency of record:

Dermatological div

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, vp-acct super.

Chicopee
New Brunswick, N.J.

Marketing personnel: R.L. Bramson, vp-mktg, specialty prods div; R.I. Munoz, vp-mktg, affiliate div; J.R. Rinaldi, vp-mktg, private label div.

Brands/services by agency of record:

Chicopee

Ad agency: ST&L Associates, New Brunswick, N.J.: Howard Rich, acct exec.

Codman & Shurtleff
Randolph, Mass.

Marketing personnel: A.D. Stewart, vp-prod mgmt.

Brands/services by agency of record:

Codman & Shurtleff

Ad agency: Omnitech Communications, Lynnfield, Mass.: C. Stuart Grover, acct exec.

Ethicon Inc.
Somerville, N.J.

Marketing personnel: R.W. Croce, group vp; D.R. Murray, vp prod mgmt.

Brands/services by agency of record:

Ethicon Inc.

Ad agency: Kallir, Philips, Ross, New York: Leo Palmer, vp-acct super.

Surgikos Inc.
Arlington, Texas

Marketing personnel: J.D. Terry, vp-sales; R.C. Neil, dir-prod mgmt.

Brands/services by agency of record:

Surgikos Inc.

Ad agency: Pierce Davis, Arlington, Texas: Bill Pierce, mgmt super; Karen Frey, acct exec.

RANK
89

S.C. Johnson & Sons

Racine, Wis.
ADVERTISING: **$ 96.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2,000	2,000	0.0

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	608	522	16.3
Business pub	187	208	(10.1)
Magazine	16,025	14,015	14.3
Newsp supp	1,087	617	76.2
Outdoor	0	41	NA
Network TV	20,862	56,459	(63.1)
Spot TV	9,892	6,869	44.0
Network cable	878	1,366	(35.7)
Network radio	1,957	2,474	(20.9)
Spot radio	1,903	1,451	31.2
Measured	53,397	84,022	(36.4)
Unmeasured	43,000	67,000	(35.8)
Total	96,397	151,022	(36.2)

S.C. Johnson & Son spent 1987 addressing stagnant sales by focusing on strengthening its core businesses of cleaning products and insecticides for both the consumer and the professional markets.

While the company remains committed to pursuing the lucrative and growing personal-care markets, the majority of the company's advertising and marketing activity in 1987 centered on its successful Raid insecticide line.

Except for Raid, which experienced a modest 3% gain, measured media support declined for all Johnson products. The privately-held company, whose sales have been static since 1984, pushed through a number of agency changes, and at least one of its major products, the Agree haircare line, was without an agency for virtually all of 1987.

Yet observers believe Johnson's severe advertising drought in retrospect will be viewed as an aberration. Johnson's strategy is to build sales through both internal new-product development and acquisitions that fit with its intent to be a larger player in personal care. The company focused on line extensions of established brands this year, but Johnson is expected to enter a new-product cycle that is certain to boost ad expenditures.

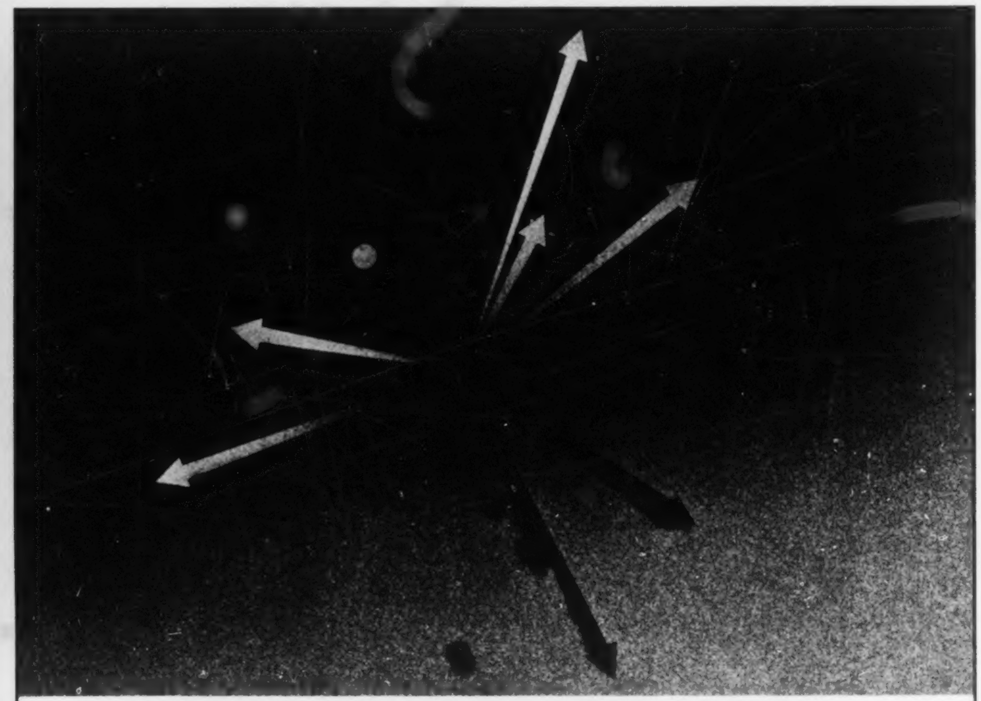
Johnson, which continues to dominate the insecticide category with a 47% share of the estimated $400 million (manufacturer's dollars) category, in mid-1988 revived Captain Raid, its bottle-shaped, bug-killing hero, after a 15-year hiatus from TV advertising.

The estimated $10 million image campaign was the first in years that didn't focus on the familiar animated Raid bugs. Raid agency Foote, Cone & Belding, Chicago, gave Captain Raid a snazzy image that included the ability to "laserize" bugs, not just zap them from existence.

Johnson, which spent $13.4 million in measured media spending on Raid, has maintained its 45% market share from 1986 to 1987, well ahead of Black Flag (American Home Products) and Combat (American Cyanamid) which are fighting for the No. 2 share at 18%.

Although measured media support for OFF! personal insect repellent dropped 26% to $1.7 million, the brand continued to lead the estimated $65 million category with more than a 50% market share. Cutters insect-repellent from Miles, a division of Bayer AG, is the second-leading brand.

Johnson's Pledge furniture polish led the home-care division in measured media



INTRODUCING THE ULTIMATE DIRECTION FINDER.

Adding value to your research project means addressing your issues with the latest and most appropriate marketing, mathematics and computer science techniques. At Walker: Research & Analysis, our partnership philosophy does not attempt to fit your unique study into something developed for another project.

To learn more about our design and analysis capabilities, call or write Steve Walker at 1-800-334-3939. We'll send you a copy of *The Marketing Sciences Approach to Value-Added Research.* You'll see how adding direction and value can be one and the same.

WALKER:
RESEARCH & ANALYSIS®
CUSTOM RESEARCH DESIGN THROUGH ANALYSIS
A division of Walker Research, Inc
3939 Priority Way S. Dr. • P.O. Box 80432
Indianapolis, IN 46280-0432 • (317) 843-3939

Please send me a free copy of *The Marketing Sciences Approach to Value-Added Research.*

Name: ______ Title: ______
Company: ______ Address: ______
City: ______ State: ______ Zip: ______ Phone: ______

with $4.3 million, down 40%. Pledge commands an estimated 35% share, leading the $140 million (manufacturer's level) furniture wax and polish category. This summer the company introduced new packaging for Pledge and a new fragrance to the line, Spring Fresh. Favor, another Johnson polishing aid, posted an 8% share of the category, although it had no measured media support.

Johnson's wax-free dusting aid and cleaner, Duster Plus, has an estimated 5% share of the $32 million dusting-aid segment, compared to 80% for segment leading Drackett Co.'s Endust. Duster Plus, which added a lemon-scented variety, drew $2 million in measured media in 1986, but none in 1987.

Between Future and Brite, Johnson holds a 60% share of the $100 million (manufacturer's level) floor-care category. Although the brands gained an estimated nine share points during the year, the category dropped from $160 million in sales in 1986. Future and Brite drew $2.3 million in measured media, a 71% decline from 1986.

Glade, Johnson's air freshener line, received $140,000 in measured media spending in 1987, a sharp contrast to 1986 when the company rolled out Glade II, a honey-combed, continuous-acting air freshener, with nearly $4 million in measured media support. Glade holds an estimated 14% of the $295 million (manufacturer's level) air freshener category, down four percentage points from 1986.

Glade Litterfresh, a powdered cat box deodorizer which is sprinkled onto cat litter, received $2.5 million in measured media support.

Shout prewash laundry soil and stain remover, which has a 32% share of the $160 million (manufacturer's level) category, received $2.1 million in measured media spending, down 50%. Johnson in mid-1988 introduced nationally a reformulated Shout liquid with improved stain-fighting ingredients. Shout is second to Dow Chemical's Texize division's Spray 'n Wash, which holds a 40% share of the category.

Rydelle Laboratories, Johnson's OTC drug division, signed an agreement in August 1988 to sell its Fiberall bulk-laxative line to Ciba-Geigy Corp., Summit, N.J. The line, supported with $2.1 million in measured media spending in 1987, holds a 6% share of the $170 million bulk-laxative segment. P&G's Metamucil is the leading bulk-laxative with more than a 60% market share.

Industry observers believe Rydelle wants to focus more on its skincare and oral-care product lines, and may make further acquisitions in those product categories. One new skincare effort is the West Coast test of 9-1-1 , a line of first-aid creams and sprays. Rydelle supported the Aveeno line of products for sensitive skin with $1.8 million, halving measured media support for the line.

Rydelle supported its Check-Up and Zact specialty toothpastes with $4 million in measured media. Check-Up, the first toothpaste marketed as a plaque-fighter, got an line extension in mid-1988 with Check-Up Gingival, designed to combat gingivitis, an inflammation of the gums. At the same time, the company began a magazine campaign to introduce Zact HP, a stain-remover with fluoride toothpaste. The line extensions are viewed as a market-share building effort, since the two brands did not gain share during the year. Both brands each hold less than a 1% share of the $1 billion category. By contrast, Procter & Gamble Co.'s Crest holds more than a 40% share of the category.

In the haircare market, which grew 6% to $3.96 billion in 1987, Johnson slipped to a 5.2% share in shampoos and an 8.1% conditioner share. L'Envie shampoo has dwindled to a negligible 0.8% share of the shampoo segment and a 1.6% conditioner share and the Halsa brand also is declining.

Agree shampoo posted a 1.9% share, virtually unchanged from the previous year, and its companion Agree conditioner remained at a 3% share. The line, backed by $2.5 million in measured media support, has been reformulated to include keratin and will be reintroduced this fall with a TV, radio, print and couponing campaign via new agency Lotas Minard Patton McIver, New York. The new generation of Agree includes regular, extra body and moisture rich shampoo and conditioner formulas.

Johnson, the No. 3 hand-lotion marketer in the $550 million category, slipped to an 11.6% share for its Curel and Soft Sense brands, down from 12.3% in 1986. Diana Temple, a Salomon Bros. analyst, believes Johnson will have to launch an aggressive marketing effort to sustain Curel, as sales of the brand dropped 10% in 1987. Curel holds a 6.3% share, she said, down from a 7.2% share the previous year. Johnson, which supported Curel with $2.4 million in measured spending, added a fragrance-free version of Curel early in 1988.

At the same time, Johnson launched the first body mousse for the mass market under the Soft Sense label, which appears to have strengthened sales. In July 1988, the company introduced Soft Sense Aloe Formula with Vitamin A for Sensitive Skin. The new formulation replaced the Soft Sense Extra Protection variety. Soft Sense's market share in 1987 remained 6%. The brand was supported with $2.6 million in measured media, a 13% drop from 1986.

The expiration of a patent covering Johnson's Edge shaving gel means stiffer competition for the leading brand in the $250 million shaving preparation category. Edge, supported with $1.4 million in measured media, holds a 26.5% dollar share, up slightly from a 25% share the previous year.

In the fourth-quarter of 1987, Johnson broke a new campaign featuring basketball stars Magic Johnson and Slick Watts using the Edge theme, "Not your ordinary shave," and emphasizing the brand's six-[illegible] defense against razor irritation. In mid-1988, Johnson added natural aloe to its Edge sensitive skin formula.

In November 1987, Johnson pulled three haircare brands, worth about $15 million in billings, from J. Walter Thompson USA, Chicago. The Halsa Swedish Botanical Formula haircare account went to Lotas Minard Patton McIver, New York. Johnson called the split a "mutual decision," reflecting JWT's concerns about conflicts at other offices. Thompson still handles Edge shaving gel and Soft Sense lotion. The Agree and L'Envie haircare lines were unassigned until mid-1988, when Johnson assigned the brands to Lotas Minard Patton McIver.

In August 1988, Johnson dropped HDM Dawson, Johns & Black, Chicago, as the agency for Pledge and Glade, in a move widely viewed as part of the company's agency consolidation plan. Johnson executives have been talking about consolidating U.S. agency assignments since earlier in the year, when the company made a similiar move in Europe where Johnson divided $60 million in billings primarily between DDB Needham Worldwide and Foote, Cone & Belding Communications. HDM was a Johnson agency only for about 20 months.

S.C. JOHNSON & SON
U.S. Consumer Products
1525 Howe Street
Racine, Wis. 53403
(414) 631-2000

Corporate personnel: G. W. Delp, exec vp.
Marketing personnel: D.C. Henry, vp-sales; W.D. Perez, vp-home care; B.M. Pritchard, vp-insect control; C.J. Goldthwaite Jr., vp-personal care; G.C. Montezemolo, vp-OTC Drug Enterprise; A.B. Priemer, media consultant; P.J. Grieger, pr mgr; D.L. May, W.C. Thomson, J.D. Harper, C.L. Colman, M.E. Leopold, category mgrs.
Brands/services by agency of record:

Check-Up toothpaste and gum
Zact toothpaste
Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Mary Pat Ladner, acct exec.

■

Sports medicine
Ad agency: Cramer-Krasselt, Milwaukee: Peter Krivkovich, president.

■

Raid
Off!
Future
Brite
Shout
Duster Plus
Favor
Glade Litterfresh
Ad agency: Foote, Cone & Belding, Chicago: Paul Vernon, sr vp-group acct dir.

■

Aveno cleansing bar, bath and lotion
Rhuli spray, cream and gel
9-1-1 first aid line
Ad agency: Grant Jacoby, Chicago: Pam Prosch, sr vp, dir-strategic devel.

■

Agree
Halsa
L'Envie
Curel
Ad agency: Lotas Minard Patton McIver, New York: Sally Minard, partner.

■

Soft Sense
Edge
Ad agency: J. Walter Thompson USA, Chicago: Melissa Murphy, sr vp-group acct dir.

RANK
17

Kellogg Co.

Battle Creek, Mich.
ADVERTISING: **$ 524.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,793	3,341	13.5
Earnings	396	319	24.1
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	2,492	2,269	9.8
Operating income	304	248	22.6

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	483	193	150.0
Business pub	481	670	(28.2)
Magazine	3,406	1,058	222.1
Newsp supp	71	0	NA
Outdoor	0	22	NA
Network TV	237,985	166,006	43.4
Spot TV	61,925	47,352	30.8
Network cable	4,496	3,072	46.3
Network radio	17	0	4,200.0
Spot radio	0	8	NA
Measured	308,865	218,382	41.4
Unmeasured	216,000	153,000	41.2
Total	524,865	371,382	41.3

Kellogg Co., the nation's No. 1 marketer of ready-to-eat cereals, boosted total U.S. advertising a substantial 41.3% in 1987 to retain its lock on the $5.3 billion market, represented by its 42.5% share in pound volume and 42% share in dollars.

Such a heavy expenditure for such little share movement (Kellogg's poundage share actually slipped from 42.6% while dollars remained the same from 1986) might not seem justified if only existing products were backed, but half of the new ad dollars pushed new products.

Measured ad spending in 1987 grew by $90.5 million over the prior year, with $43.2 million of that backing five new cereals—Kellogg's Mueslix, Nutrific, Strawberry Squares, Pro Grain and Nutri-Grain Nuggets.

In fact, the host of new product rollouts and aggressive marketing by Kellogg and No. 2 cereal marketer General Mills, which finished 1987 with slightly lower pound and dollar market shares, in the long run could force other marketers from the segment, said Timothy Ramey, food industry analyst for County Securities, New York. He sees Kellogg after a 50% share of the ready-to-eat cereal market.

Kellogg in December consolidated its U.S. subsidiaries into Kellogg North America, which includes the U.S. Food Products division and Kellogg Canada Inc. Horst Schroeder, president of the U.S. food division, was named president of Kellogg North America and group exec VP of Kellogg Co.

The other organizational change in 1987 took place when Fearn International, Kellogg's foodservice arm, bought St. Louis Park, Minn.-based Now Foods Corp., a marketer of frozen soups, entrees and sauces—marking Kellogg Co.'s foray into the frozen foodservice foods market.

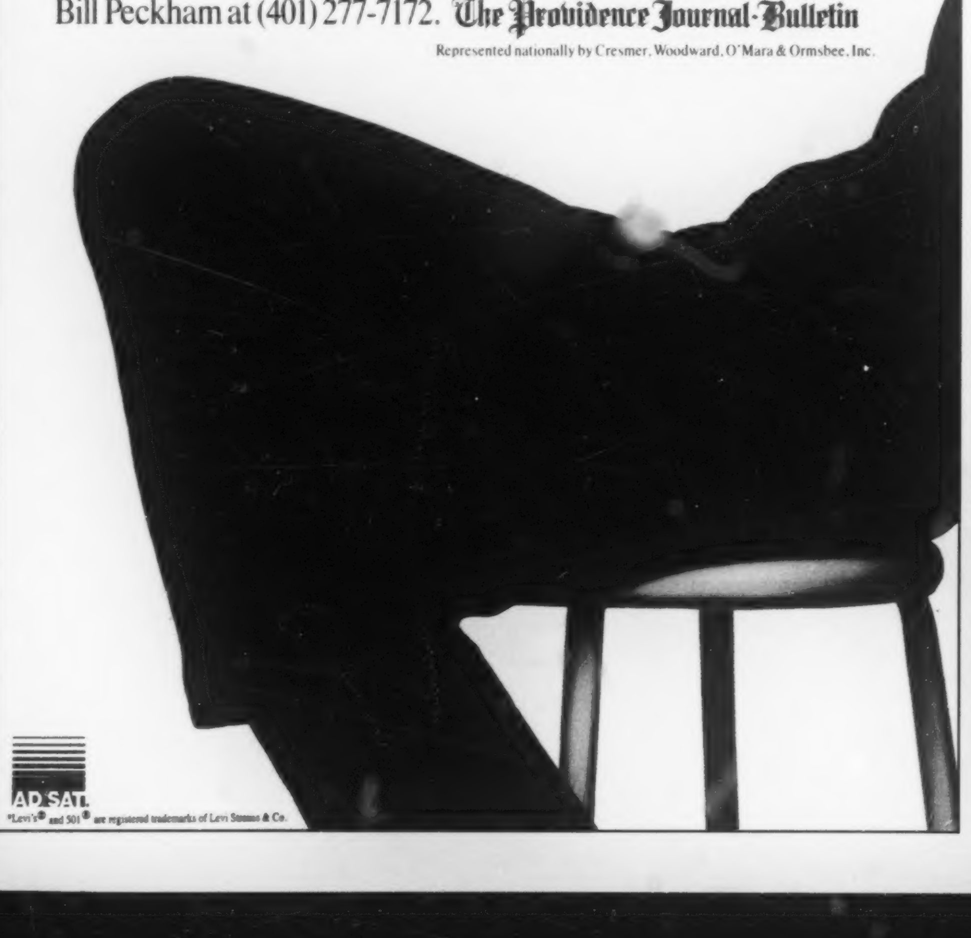
In June 1988, Kellogg sold Salada Foods to New York-based Redco Foods, and changed the name of its Canadian unit from Kellogg Salada Canada to Kellogg Canada Inc. In February 1988, Whitney's Foods was merged into Mrs. Smith's Frozen Foods Co.

In 1988, the company has continued its new-product momentum established in 1987, introducing five cereals: Nutri-Grain Biscuits, bite-sized Frosted Mini-Wheats, Nut & Honey Crunch Biscuits, two varieties of S.W. Graham Shredded Biscuits and Common Sense Oat Bran in two varieties.

Record capital spending of $478.4 million in 1987—45.3% higher than 1986 spending of $329.2 million—underscored Kellogg's intent to increase cereal production capacity and sales worldwide. In the U.S., Kellogg's Battle Creek cereal plant received a new addition in 1987 and this year Kellogg is building a new cereal plant in Memphis, Tenn.

According to figures from Wheat First Securities, Richmond, Va., Kellogg marketed five of the nation's top 10 cereals in 1987, equal with 1986. No. 1 Kellogg's Corn Flakes slipped from 6.6% to 6.3% in pound share, and from 4.5% to 4.2% in

Providence has 501® blues.
And just as many reds, greens, and yellows, too. Because with our new flexographic technology, we can reproduce some of the sharpest color ROP ads in the country. And our household penetration is the best of any newspaper in the total market area.
If you'd like to slip your ad into something more colorful, call Bill Peckham at (401) 277-7172. The Providence Journal-Bulletin
Represented nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.



AD SAT
*Levi's® and 501® are registered trademarks of Levi Strauss & Co.

What product categories are growing?
Turn to LNA for answers.
See page 151

dollar share over No. 2-rated Kellogg's Sugar Frosted Flakes, which rated 5.9% and 5.5% in pound and dollar share, respectively. Corn Flakes got $21.7 million in measured spending, up 34%, and Sugar Frosted Flakes received $22.8 million, up 40%, according to BAR/LNA.

Other Kellogg's top 10 brands in pound and dollar shares were No. 4 Raisin Bran, 4.3% and 3.7%; No. 7 Rice Krispies, 3.6% and 3.8% and No. 8 Kellogg bran products, 3.5% and 2.8%. Raisin Bran received $23 million, up 33.7%, and Rice Krispies pulled $19.7 million, up 20.9%.

Kellogg's chief competitor, Minneapolis-based General Mills, placed two cereals in the top 10 while losing an overall 0.5 share points in 1987 pound and dollar market shares to 20.7% and 23.6%, respectively, according to Wheat First.

Among successful 1987 introductions was Mueslix, a European-style cereal in five grain and bran varieties. Mr. Ramey said Mueslix has garnered a 1% pound share of the market just 11 months after its October 1987 rollout. Mueslix received $7.1 million in measured spending in 1987, virtually all in network TV, according to BAR/LNA.

In other segments, Kellogg held the No. 1 position in the $263.6 million frozen waffle segment, taking a 44% total share with its Eggo frozen waffles in Nutri-Grain and Buttermilk varieties. Mrs. Smith's frozen pies command a top 56% share of the pie segment and Kellogg's Pop Tarts tops all competitors with a dominant 74% share of the $243 million toaster pastry segment.

In the $1 billion refrigerated yogurt market, one of the few product categories Kellogg doesn't dominate, Whitney's yogurt dropped to between 2% and 3%, from 4% in 1986—ranking well behind market leaders Dannon and Yoplait.

KELLOGG CO.
One Kellogg Square
P.O. Box 3599
Battle Creek, Mich. 49016-3599
(616) 961-2000

Corporate personnel: W.E. LaMothe, chmn & ceo; R.L. Nichols, vice chmn; H.W. Schroeder, group exec vp, president-Kellogg North America; president-U.S. Food Products div.

Marketing personnel: M.D. Simpson, exec vp-sales & mktg; W.H. Weintraub, sr vp-mktg; S.W. Richards, vp-natl sales mgr; K.C. Smith, dir-mktg svcs.

U.S. Subsidiaries

Corporate personnel: G.E. Costley, president; J.J. Feeney, president-coo, Mrs. Smith's Frozen Foods Co.; D.E. Thompson, president-Fearn International; J.S. MacDonald, eastern zone mgr; C.T. Karlow, central zone mgr; J.T. Kroll, western zone mgr.

Marketing personnel: K. Harlan, vp-mktg, Mrs. Smith's Frozen Foods; R.D. Bateman, sr vp-sales; E.K. Jorgensen, vp-mktg, Fearn International.

Brands/services by agency of record:

Cereals
Toaster pasteries

Ad agency: Leo Burnett USA, Chicago: William Lynch, chmn & ceo; James Jenness, exec vp; Del Collins, Dick Corelitz, Tim O'Day, Al Roehl, vps-acct dirs; Mike Arnold, Larry Bruck, Eleanor Callison, Warren Guthrie, Justus O'Brien, Rick Remick, Stacy Sopcich, acct supers.

■

Black mktg

Ad agency: Vince Cullers Advertising, Chicago: Vince Cullers, president.

■

Bran cereals

Ad agency: J. Walter Thompson USA, Chicago: Jack Tukey, sr vp; George Lange, sr vp-group acct dir; Nick Bothfeld, Susan Frankel, George Shott, vps-acct dirs; Erin Clark, Dermid Eagen, Mark Mitten, Gloria Quigley, Susan White, acct supers.

Fearn Intl

Ad agency: West, Morris, Davis & Muender, Rockford, Ill.: Percy J. Muender, vp.

RANK
11

K mart Corp.

Troy, Mich.
ADVERTISING: **$ 631.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	25,627	23,812	7.6
Earnings	692	582	18.9
■ *Division sales*	*1987*	*1986*	*% chg*
General mdse	22,140	21,308	3.9
Specialty retail	3,487	2,504	39.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	110	NA	NA
Magazine	23,482	20,375	15.2
Newsp supp	2,603	1,103	135.9
Outdoor	319	12	2,555.0
Network TV	18,238	26,333	(30.7)
Spot TV	30,942	22,121	39.9
Network cable	2,632	648	306.0
Network radio	6,824	6,526	4.6
Spot radio	3,696	3,602	2.6
Measured	88,845	80,719	10.1
Unmeasured	543,000	493,000	10.1
Total	631,845	573,719	10.1

The past year K mart Corp. elected a new chairman, launched key image-building marketing programs and adopted a new diversification strategy that called for ventures in grocery and warehouse-style retail operations.

Increasingly intense competition is the driving force behind K mart's new strategies. Although Sears, Roebuck & Co., Chicago, remains the nation's top retailer, No. 2 K mart has been closing the gap and is trailing by only $2.5 billion in sales. But analysts say K mart needs to keep a wary eye on competitors sneaking up behind it, particularly Bentonville, Ark.-based Wal-Mart Stores, a regional discount chain that has gained the reputation of being the fastest-growing retailer in the U.S.

But Joseph Antonini, who stepped in last October as K mart's chairman, president and CEO following the September retirement of Bernard Fauber, came prepared for the fight. Although he's been K mart's chief for less than a year, he is widely acknowledged to have played a crucial role as the strategist in boosting K mart's sales and upgrading its image the past few years.

Last year K mart continued its strategy of updating the image of its 2,200-plus K mart stores from a no-frills discount store to a retailer of quality, brand-name merchandise. At the same time, it isn't forsaking its discount image. Last year it cut the prices of 2,500 items and plans to cut more this year.

Mr. Antonini, who, as chief of K mart Apparel spearheaded its first celebrity promotion with the Jaclyn Smith Signature collection, established a marketing department to better coordinate merchandising, marketing and advertising in less than three weeks after taking his current post. He placed Michael Wellman, VP-marketing, at the head of the department.

The marketing department is helping K mart buyers create distinct programs for their departments. The goal behind each is to sell an entire lifestyle-oriented concept to consumers, making goods complementary so shoppers will want to buy several interrelated products rather than just one item.

The retailer's most notable effort in that direction is the Martha Stewart program for K mart's home fashion division, launched in August 1987. Ms. Stewart, author of several books and nationally syndicated newspaper columns on food and entertainment, is K mart's ad spokeswoman and lifestyle consultant. She also writes K mart Kornerstones, store-distributed brochures that give tips on such things as cooking and table decor.

The Martha Stewart program is part of K mart's effort to stay in tune with the typical K mart shopper, who has the same buying power he had 15 years ago, but is better educated, more sophisticated and has been exposed to "the good life." Ms. Stewart, who has an upscale following, is considered a guide to gracious, but affordable, living.

This year K mart cut back on its in-house newspaper inserts, which have touted individual sale items and prices, and is increasing its use of TV to build image. In February, K mart dropped one of its two weekly inserts, cutting about $50 million from that budget. Some of those funds were shifted to other media, primarily TV, increasing the billings of K mart agency Ross Roy Inc., Bloomfield Hills, Mich. and its New York subsidiary, Calet, Hirsch & Spector, to more th[illegible]0 million from about $65 million in 1987.

Next year K mart will chop another $25 million from its budget as part of a cost-reduction strategy and a move for more efficient advertising. But the scaling back of ad budgets doesn't mean K mart is becoming a less aggressive marketer. In the past year it has launched a slew of new programs.

K mart sponsored the Winter Olympics and will do the same with the 1988 Summer Olympics. It also is backing the Professional Golfers' Association's Greater Greensboro Open.

K mart launched the K mart Gym Kids Club as part of its three-year sponsorship of the U.S. Gymnastics Federation and Summer Olympic Games.

This year K mart signed on pro golfer Fuzzy Zoeller as ad spokesman. He promoted golf equipment sold at K mart in TV and print advertising during the PGA tournament in early April. K mart also is co-sponsoring the car driven by Mario Andretti, who races in the Championship Auto Racing Teams' Indy series, and is doing local promotions with Mr. Andretti.

To improve customer service, K mart added in-store greeters and toll-free consumer response numbers. It also is making headway on its $1 billion retail automation program, which eventually will be used to centrally merchandise all K mart stores. At the end of 1987, new point-of-sale systems were installed in 759 stores. K mart plans for all stores to be hooked to the system by 1991.

This summer K mart joined *Working Woman/McCalls* in a new marketing effort. The publisher launched a magazine called *Betsy McCall*, aimed at girls ages 6 to 12. K mart is the sole retail advertiser and is distributing 1 million copies free in stores. The magazine also is inserted in *McCall's*, adding another 5 million to its circulation. K mart plans to develop programs with other magazines to target certain market segments, such as men and boys, it hasn't been as successful in reaching.

This summer, actress Jaclyn Smith signed a contract with K mart agreeing to act as ad spokeswoman for another three years. Also this summer K mart said it would begin testing Vanna White's dress collection in 200 stores, beginning around Christmas.

K mart has stepped up experimentation with convenience-related services in K mart stores. In the next few months it will start testing grocery departments in two stores.

The company also leases space in stores to various financial institutions as tests. About 385 insurance and financial boutiques in K mart stores scattered across the U.S. offer convenience services such as discount brokering, via Detroit-based Olde Discount Corp., and banking. It also has leased space in three Detroit-area stores to InsurUSA, an insurance distributor that sells American Automobile Association Michigan memberships and AAA's full line of insurance.

While K mart's growth strategies revolve primarily around K mart stores, its core business, the company also is looking at specialty retail operations for further growth. In late 1987 K mart announced plans to open a chain of hypermarkets in a joint venture with Bruno's, a Birmingham, Ala.-based supermarket chain. The first American Fare opens this fall in Atlanta. DiIorio, Wergeles, a New York-based subsidiary of Ross Roy, handles.

Last spring K mart acquired 51% of Makro Inc., a Cincinnati-based subsidiary of SHV Holdings, a Dutch company, that operates four membership warehouse-style stores in the U.S. K mart expects to have 20 Makro stores, each with annual sales of $75 million, by 1990.

K mart projected that American Fare and Makro, along with Walden Book Co., Pay Less Drug Stores Northwest and Builders Square, will account for 20% to 25% of K mart's total sales by 1990. Last year K mart opened 258 new specialty stores, and plans call for the opening of another 172 units in 1988.

Meanwhile, Builders Square is developing two subsidiaries, both warehouse-style store operations. This fall Builders Square will open two Office Square stores, which will sell office supplies, furniture and office equipment, in the Chicago area. Two Sports Giant sporting goods stores will open in the Detroit area next spring.

K MART CORP.
3100 W. Big Beaver Road
Troy, Mich. 48084
(313) 643-1000

K mart Stores
Troy, Mich.

Marketing personnel: Michael Wellman, VP-mktg; Gerald Habeck, dir-adv; Thomas Nigolian, sr vp-genl merchandise; Norman Roberts, dir-sales promo; Robert Mulligan, dir-mktg support; Darrell Schmidt, dir-special projects; Edward Kreitz, dir-incentive sales mktg.

Brands/services by agency of record:

K mart stores

Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Peter Vetowich, exec vp, dir-retail operations; Steven Butterman, Lawrence Haddock, Roger Sherman, sr vps-mgmt supers; Frank Wilberding, sr vp-mktg svcs; Jack Frakes, exec creative dir.

■

K mart fashions

Ad agency: Calet, Hirsch & Spector, New York: Peter Hirsch, co-chmn, exec creative dir; Ron Sherman, president; Jane Singer, sr vp, dir-mktg & planning.

Walden Books Co.
Stamford, Conn.

Marketing personnel: Bonnie Predd, exec vp-mktg; Sandy Long, mgr-adv.

Brands/services by agency of record:

Walden Books stores

Ad agency: Ad Direct, Westport, Conn.: David Cramoy, president; Ray Dempsey, chmn; Eric Tolkin, acct exec.

Builders Square
San Antonio, Texas

Marketing personnel: Mark James, vp-mktg; Bob Bierley, dir-adv; Jud Walford, exec vp-coo.

Brands/services by agency of record:

Builders Square stores

Ad agency: (In-house): Mark James, vp-mktg.

■

Special projects adv

Ad agency: Roger Christian & Co., San Antonio, Texas: Roger Christian, president.

Office Square/Sports Giant
San Antonio, Texas

Marketing personnel: Gene Cuthbertson, dir-adv.

Brands/services by agency of record:

Office Square stores
Sports Giant stores

Ad agency: (In-house): Gene Cuthbertson, dir-adv.

Pay Less Drug Stores Northwest
Wilsonville, Ore.

Marketing personnel: David Massing, vp-adv.

Brands/services by agency of record:

Pay Less Drug Stores N.W.

Ad agency: (In-house): David Massing, vp-adv.

American Fare
Troy, Mich.

Marketing personnel: Larry Perkin, exec vp-warehouse & grocery operations; Gerald Habeck, dir-adv.

Brands/services by agency of record:

American Fare stores

Ad agency: DiIorio, Wergeles, New York: Don Wergeles, chmn; Julio DiIorio, president; Frank Everett, sr vp, dir-client svcs.

Makro Inc.
Cincinnati, Ohio

Marketing personnel: Gregory Hanselman, vp-sales & promo.

Brands/services by agency of record:

Makro Inc.

Ad agency: (In-house): Gregory Hanselman, vp-sales & promo.

RANK
22

Kra[illegible]nc.

Northbrook, Ill.
ADVERTISING: **$ 400.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	9,876	7,780	26.9
Earnings	489	413	18.4
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	7,541	5,772	30.6
Operating income	680	625	8.7
■ *Division sales*	*1987*	*1986*	*% chg*
U.S. consumer food	4,519	4,016	12.5
U.S. commercial food	3,022	1,756	72.1
Intl food	2,335	2,008	16.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	2,183	2,017	8.2

If getting to the
right celebrity
has you all turned around,
let us put you straight.
INGELS, INC
(213) 852-0300

■ Media	1987	1986	% chg
Business pub	1,537	1,217	26.2
Magazine	29,787	34,031	(12.5)
Newsp supp	2,391	2,083	14.8
Outdoor	670	74	808.3
Network TV	71,245	88,645	(19.6)
Spot TV	67,914	74,694	(9.1)
Network cable	1,331	1,775	(25.0)
Network radio	678	2,637	(74.3)
Spot radio	5,964	7,162	(16.7)
Measured	183,699	214,334	(14.3)
Unmeasured	217,000	254,000	(14.6)
Total	400,699	468,334	(14.4)

After spending much of the early 1980s growing—upping ad budgets, acquiring companies at a fast pace and aggressively introducing products—Kraft has changed its tune.

A primary focus now is a corporate-wide productivity program that Chairman John Richman said could add a total of $100 million to pretax profits by 1990; 1987 pretax profits were up 10.4%, to $435 million. Mr. Richman said Kraft traditionally has rotated between focusing on growth to focusing on returns; the company "now needs to make a consistent effort for full productivity in everything we do. That means taking a fresh look at everything, including advertising and sales costs."

Still, President and CEO Michael Miles said the company will end 1988 with a 10% increase in its worldwide ad spending, to about $500 million; excluding the $30 million budget of Duracell, sold in May, that amounts to an 18% increase over 1987. AA estimates its U.S. advertising portion to be $387.1 million, down 14.3%.

Part of the 1988 budget will be devoted to a new corporate ad campaign set to debut this fall via Foote, Cone & Belding, Chicago, carrying the theme "good food and good food ideas." The money budgeted for media—estimated at $10 million on an annualized basis—is being rechanneled from Kraft's decades-old sponsorship of network TV programs, which was discontinued this year.

At the same time, Kraft is battling the FTC over a deceptive advertising charge leveled at a 1984-85 campaign for Kraft Singles American cheese. One of the only major complaints filed by the FTC under the deregulation-minded Reagan Administration, the case currently is being heard before an FTC judge. Measured spending on Kraft Singles declined 40% to $9.6 million, according to BAR/LNA.

With the sale of its Duracell battery and Celestial Seasonings tea businesses, Kraft this year became a 100% food company for the first time in 30 years. This month, Kraft agreed to sell Celestial Seasonings to Vestar Capital Partners, New York, with current management participating in ownership. The company announced May 5, 1988, the sale of Duracell to Duracell Holdings Corp., an affiliate of Kohlberg Kravis Roberts & Co. for $1.8 billion in cash. Duracell, with 1987 sales up 18% to $1.1 billion, represented 11% of the Kraft total.

Kraft is particularly keen on establishing a leadership position in frozen foods. Through its purchases of Lender's Bagel Bakery (1984), Tombstone Pizza (1985) and All-American Gourmet (1987), Kraft has reached what Chairman Richman calls a "critical mass" in frozen foods, with projected 1988 sales of $600 million. This places Kraft fifth with a 7.5% share of the prepared frozen-foods market worth $8 billion (entrees to desserts). Market leader is Campbell Soup Co. with a 15% share, followed by ConAgra 13.8%, Pillsbury 11% and Stouffer Foods (Nestle) 9.4%, and Kraft, according to Find/SVP.

Ernest Townsend, who came to Kraft in the All-American Gourmet deal, this year took over the reorganized frozen foods group. As president of All-American Gourmet, Mr. Townsend during 1987 oversaw the expansion of the company's successful Budget Gourmet frozen entree line into Slim Line reduced-calorie dinners, side dishes (a 20-item line) and three-dish dinners. The Budget Gourmet is the No. 2 brand of frozen single-dish entrees in the U.S., behind Stouffer's red box entrees. Measured spending on the line fell 35% to $8.7 million in 1987.

AAG last month began testing its second brand name, Eating Right, a line of 14 low-calorie, upscale frozen entrees. Eating Right will compete directly with Stouffer's Lean Cuisine and H.J. Heinz' Weight Watchers, which together control about 70% of the $1.5 billion market for low-calorie entrees. HDM, Los Angeles, is handling an estimated $10 million introductory TV and print campaign; DiIorio, Wergeles, New York, continues as agency for Budget Gourmet.

Tombstone Pizza sales were up 11% in 1987, as the store-delivered pizza expanded its distribution to 23 states representing about 30% of the U.S. marketplace. Tombstone claims a 13% share of the $1.5 billion U.S. frozen pizza business, behind Pillsbury Co.'s Jeno's, Pillsbury and Totino's brands. In 1987, Tombstone began testing individual microwaveable frozen pizzas in four varieties. Campbell-Mithun-Esty, Minneapolis, handles the account which drew $5.4 million in measured spending in 1987, up 45%.

Lender's sales rose 15% in 1987, boosted by a Burger King promotion in which 22 million Lender's bagels were sold in BK restaurants. The division introduced a Big'n Crusty bagel in early 1988.

Kraft's refrigerated products group experienced an 8% increase in sales to $2.37 billion in 1987, with volume gains in all three cheese categories: cream, natural and processed. Kraft added a number of new products under the 75-year-old Velveeta brand name—Velveeta shreds, cheese sauce and extra-thick slices—although it sliced Velveeta measured ad spending from 20.9 million to $9.7 million. The company also is testing 100% Natural String Cheese in Seattle, with TV ads from Leo Burnett USA, Chicago.

An intriguing development in refrigerated foods is Kraft's Chillery line of fresh refrigerated foods. Currently in Kansas test markets are Chillery salads; under development are entrees and desserts. Ads from Burnett support. With Chillery, Kraft goes head-to-head with Orval Kent Food Co., Wheeling, Ill. and Carnation Co., which this year introduced a line of Pasta & Cheese pastas and sauces.

Kraft also is testing Delissio All-in-One Pizza Kits and Marquessa chilled chocolates. FCB is handling the test campaign for Delissio.

Mixed results in Kraft's grocery and dairy groups have been addressed in 1987-88. In its grocery segment, sales were flat at $1.09 billion. Kraft boosted its market share in the $2 billion margarine category to 19.5%, but at a significant cost to profits. Its viscous dressings—including Kraft mayonnaise and Miracle Whip—suffered from a maturing market and new low-calorie entries from CPC International. Measured spending on the Kraft products also dropped 29.4% to $12.6 million.

Kraft also experienced flat sales for Thick 'N Spicy barbecue sauce which the company backed with $2.5 million in measured spending.

A bright spot was salad dressings, where Kraft's market-leading position was bolstered by the 1987 purchase of Anderson Clayton Foods from Quaker Oats Co. Earlier this year, Kraft began testing Seven Seas Light dressings and began an ad campaign for its Bull's-Eye barbecue sauce.

The Kraft dairy group, which has grown extensively through acquisition in the 1980s, posted sales of $749 million, up 20%.

This spring, Breyers, the country's top-selling ice cream, began testing Breyers Natural Light, a reduced calorie, low-fat frozen dessert, in Kansas and New England markets. Breyers Marble Classics, a premium-priced, seven-item line, has been expanded into 45% of the country. The Breyers line attracted $14.1 million in measured spending in 1987, up 55% from the prior year, according to BAR/LNA.

In April, the dairy group launched a new print and TV campaign for the Breyers line, tagged "Made the Breyers way. Naturally." Breyers is marketed in approximately 80% of the country; sales were up 10% in 1987.

Kraft markets Sealtest, the nation's No. 2 ice cream, and through its Light n'Lively and Breyers brands, is the No. 2 marketer of refrigerated yogurt.

KRAFT INC.
1 Kraft Court
Glenview, Ill. 60025
(312) 998-2000

Marketing personnel: Joel Weiner, sr vp-mktg svcs.

Brands/services by agency of record:

Corp adv

Ad agency: Leo Burnett USA, Chicago: Brian Williams, acct dir.

■

Television specials

Ad agency: Foote, Cone & Belding, Chicago: Jim Cerasani, sr vp-group acct dir.

■

Hispanic adv

Ad agency: Hispania Advertising (JWT USA subsidiary), New York: Caroline Demy, sr vp-genl mgr.

■

Black adv

Ad agency: Proctor & Gardner, Chicago: Barbara Proctor, creative dir; Suzanne Stanley, acct super.

Kraft Dairy Group
Philadelphia, Pa.

Corporate personnel: Thomas Herskovits, president-group vp; John Reisenberg, vp-genl mgr, specialty prods.

Marketing personnel: Robert E. Baker, vp-mktg.

Brands/services by agency of record:

Breakstone
Light n' Lively
Fresh Delights
Frusen Gladje
Sealtest

Ad agency: McCann-Erickson, New York: Lawrence Deitch, vp-mgmt rep.

■

Breyers

Ad agency: Young & Rubicam, New York: Richard Kahn, mgmt super.

Kraft Grocery Products Division
Glenview, Ill.

Marketing personnel: Eric C. Strobel, president-group vp; Bob Eckert, vp-mktg.

Brands/services by agency of record:

Parkay
100% Natural
Pourable salad dressings

Ad agency: Leo Burnett USA, Chicago: Sadru Patel, Carter Keith, acct supers.

■

Miracle whip
BBQ sauces
Kraft spread
Source spread
Packaged dinners
Youth program
New prods

Ad agency: Foote, Cone & Belding, Chicago: Jim Cerasani, sr vp-group acct dir.

■

Kraft caramels
Kraft marshmallows
Kraft mayonnaise
Kraft toppings
Jellies & spreads

Ad agency: Young & Rubicam, New York: Jim Fitzgerald, mgmt super.

Kraft Refrigerated Products Group
Glenview, Illinois

Marketing personnel: Robert S. Morrison, president-group vp; Michael Blyth, Mitch Wienick, vps-mktg.

Brands/services by agency of record:

Loaf
Special projects
Velveeta
Slices
Cracker Barrel
Casino
Light 'n Lively cheeses

Ad agency: Leo Burnett USA, Chicago: Ted Simon, acct super.

■

Grated cheeses
Handi-Snax

Ad agency: Foote, Cone & Belding, Chicago: Jim Cerasani, sr vp-group acct dir.

■

Knudsen
Foremost

Ad agency: Grey Advertising, Los Angeles: Larry Varnes, exec vp, dir-client svcs.

■

Kraft singles
Philadelphia brand cream cheese
Philadelphia brand cheesecake mix
Cheez Whiz

Ad agency: J. Walter Thompson USA, Chicago: Bob Ravafio, acct super.

■

Polly-O cheeses

Ad agency: Young & Rubicam, New York: Richard Kahn, mgmt super.

Kraft Frozen Foods Group
Glenview, Ill.

Marketing personnel: Ernest Townsend, president-group vp; Charles Martin, vp-mktg.

Brands/services by agency of record:

Tombstone frozen pizza

Ad agency: Campbell-Mithun-Esty, Minneapolis: Steve Gordon, sr vp-mgmt super.

■

Budget Gourmet frozen foods

Ad agency: DiIorio, Wergeles, New York: Lou Peter, acct super.

■

Eating Right

Ad agency: HDM, New York: Patrick Hillman, exec vp-mng dir.

■

Lender's bagels
New business

Ad agency: McCann-Erickson, New York: Lawrence Deitch, mgmt rep.

Food Ingredients Group
Memphis, Tenn.

Marketing personnel: Frederick Avery, president-group vp; Mike Taylor, vp-mktg & sales, retail; Chris Arnould, vp-mktg & sales, food processor prods; Joe Gilliam, vp-mktg & sales, food service prods; Ronald Wenzler, vp-mktg & sales, ingredients.

Brands/services by agency of record:

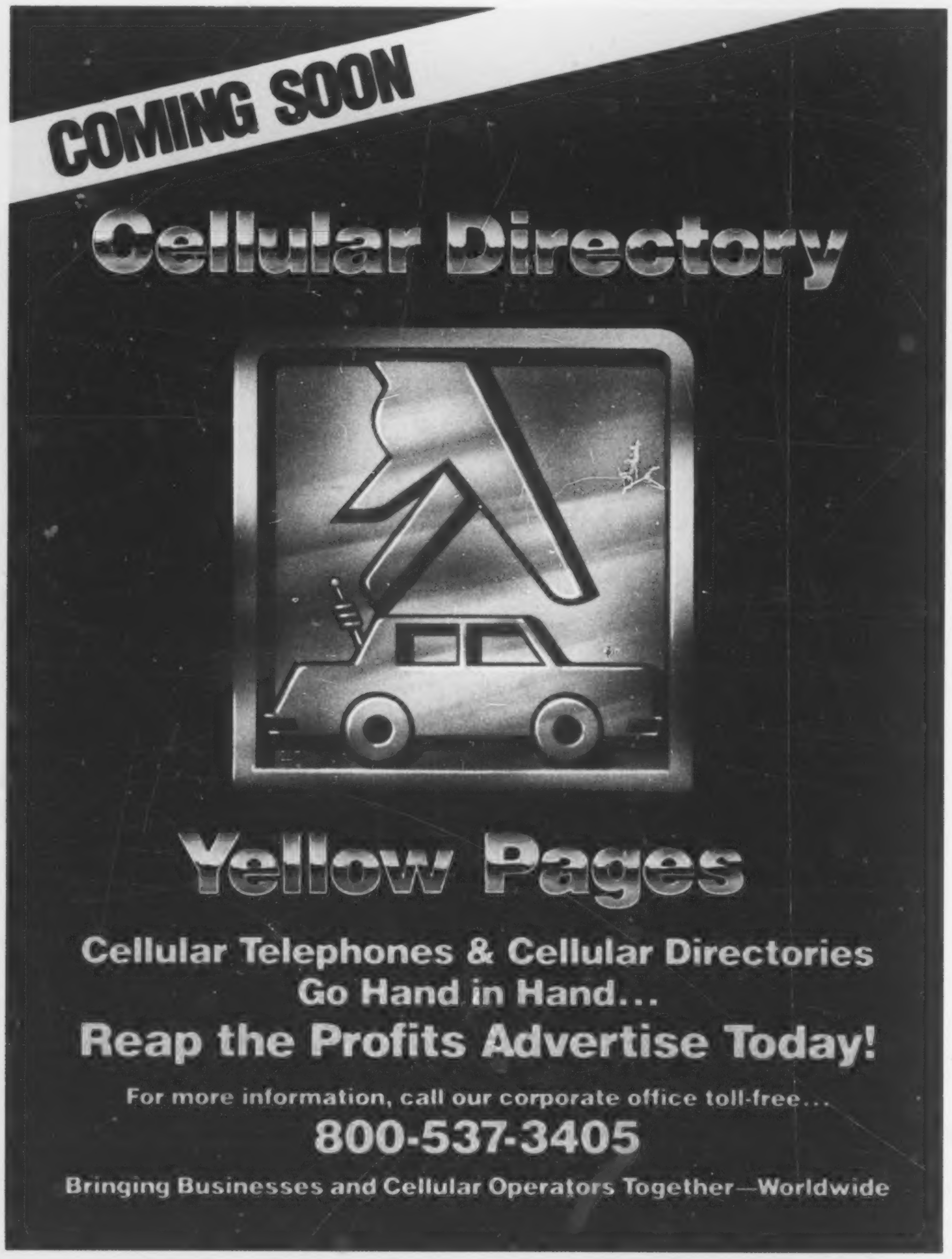
Food ingredients
Food processor prods
Food service prods

Ad agency: Ward Archer & Associates, Memphis: Ward Archer, chmn; Ward Archer Jr., president; Eddie Tucker, creative dir.

RANK
73

Kroger Co.

Cincinnati
ADVERTISING: **$ 115.3** MILLION



COMING SOON
Cellular Directory
Yellow Pages
Cellular Telephones & Cellular Directories Go Hand in Hand...
Reap the Profits Advertise Today!
For more information, call our corporate office toll-free...
800-537-3405
Bringing Businesses and Cellular Operators Together—Worldwide

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	17,660	17,123	3.1
Earnings	247	51	379.0
■ Division sales	**1987**	**1986**	**% chg**
Food store	16,048	16,102	(0.3)
Convenience store	598	480	24.6
Warehouses	299	171	74.9
Other	715	370	93.2

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Magazine	504	787	(35.9)
Newsp supp	119	0	NA
Outdoor	2,892	2,357	22.7
Network TV	98	1,846	(94.7)
Spot TV	44,639	39,743	12.3
Network cable	277	295	(6.1)
Spot radio	2,733	3,178	(14.0)
Measured	51,263	48,207	6.3
Unmeasured	64,000	60,000	6.7
Total	115,263	108,207	6.5

Devoting most of 1987 to shoring up its operations after restructuring in 1986, Kroger Co. now faces a tough battle to remain independent in 1988 because of a takeover attempt expected from the Haft family (Dart Group).

Kroger announced in mid-September that it was looking into a $3.77 billion defensive restructuring that would result in/ pushed up debt and force the sale of assets. This came after the Haft family won government approval to acquire at least $15 million in Kroger stock.

During 1987, the nation's largest retail grocer boosted sales by 3.1% and rebuilt earnings which had been encumbered by an $82.3 million after-tax charge from the closure of unprofitable food stores in 1986. It also reduced corporate costs and sold a drug store division.

Advertising kept pace with rising sales and income as Kroger spent $225.1 million on advertising in 1987, up 6.9%, according to the company's 1987 10-K filing.

A company spokesman said the high 10-K figure includes spending for local newspaper ads, which is not monitored for this issue, the costs of toll-free lines to answer questions about meat preparation and a "meat excellence" merchandising program and heavy "co-op" ad programs with manufacturers who sell their goods through Kroger stores. AA's 1987 estimate of $115.3 million for Kroger is for national ad spending only.

Operationally, Kroger concentrated on local merchandising during 1987, trying to respond to consumers on a market-by-market and sometimes even store-by-store basis. The company also continued to experiment with newer retail formats during the year, opening five new Welcome warehouse-style stores and six new Price Savers Wholesale Warehouse units.

Kroger also launched an aggressive store growth plan for the Detroit area in 1987 after winning a favorable labor agreement there. Kroger acquired eight former Safeway stores in Dallas and reduced its administrative costs in the wake of a 1986 merger between its Dallas and Houston divisions. Texas has 150 of Kroger's 1,300 food stores. In July 1988, the company put its 46-unit Florida Choice division on the market, noting that the food stores in Florida were unprofitable.

More underproductive units and non-core assets are likely to be sold if the Haft buy-in materializes into a takeover attempt, because Kroger's potential anti-takeover game plan could include cash payments to shareholders to keep them loyal. The resulting debt from such payments could be covered through divesting such properties.

The Haft family has tried but failed to gain control of Safeway, Supermarkets General and Stop & Shop, although it has walked away from such attempts with huge profits from reselling the accumulated stock back to the companies.

KROGER CO.
1014 Vine St.
Cincinnati, Ohio 45201
(513) 762-4000

Corporate personnel: Lyle Everingham, chmn & ceo; Joseph A. Pichler, president-coo.
Marketing personnel: Richard M. Koster, exec vp; J. Richard Owens, vp-adv.
Brands/services by agency of record:

Kroger stores

Ad agency: Campbell-Mithun-Esty, Chicago: Marv Goldsmith, exec vp-genl mgr; John Kroening, Jon Wylie, vps-mgmt supers.

RANK
74

Loews Corp.

New York
ADVERTISING **$ 115.2** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	9,324	8,607	8.3
Earnings	696	546	27.6
■ Division sales	**1987**	**1986**	**% chg**
Life insurance	1,825	1,762	3.6
Other insurance	5,195	4,863	6.8
Cigarettes	1,676	1,568	6.9
Hotels	195	175	11.5
Watches	157	181	(13.6)
Investments	232	49	369.0
Equity in CBS	18	(8)	325.3
Other	26	16	65.2

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	4,010	8,114	(50.6)
Business pub	329	197	66.5
Magazine	27,280	34,434	(20.8)
Newsp supp	3,861	6,861	(43.7)
Outdoor	24,385	25,000	(2.5)
Spot TV	296	1,597	(81.5)
Network cable	9	222	(96.0)
Spot radio	31	40	(23.2)
Measured	60,200	76,467	(21.3)
Unmeasured	55,000	70,000	(21.4)
Total	115,200	146,467	(21.3)

Loews Corp. counted insurance and cigarettes as mainstays of its continued growth and profits again in 1987, backing these divisions with ad expenditures estimated at $115 million, down 21.2% from the previous year.

Income from the hotels division and other investments also showed hefty gains, including $17.7 million derived from Loews' 24.8% interest in CBS Inc. This was the equity position that helped pave the way for the election of Laurence A. Tisch, Loews chairman co-CEO (with his brother, Preston), as president-CEO of CBS in early 1987.

The company's Lorillard division, the nation's fourth largest cigarette marketer, weathered a year marked by cancer-related litigation and adverse court rulings for the tobacco industry, but still posted gains.

Early this year a federal court jury in Newark, N.J., found against Liggett Group, awarding $400,000 damages to the husband of a smoker who died of lung cancer in 1984. The plaintiff's lawyers, however, were unable to prove conspiracy between Liggett and co-defendants Philip Morris Inc. and Lorillard to keep the physical dangers of smoking from the public before 1966.

Lorillard's measured spending dropped 19% to $47.2 million in 1987, according to BAR/LNA, which monitors seven media. Lorillard also accounted for most of the $4 million in newspaper spending, which is not included in BAR/LNA totals for 1987. Loews' newspaper spending in 1986 was considerably higher at $8.1 million.

Despite a continuing annual decline and a 2.1% drop in industry-wide cigarette unit sales volume last year, Lorillard's unit sales declined only 1% which gave the company an 8.2% market share, up from 8.1% a year earlier. Lorillard ranks fourth behind Philip Morris with a 37.9% share, R.J. Reynolds at 32.6%, Brown & Williamson at 10.8%, and is followed by American Brands, 6.9%, and Liggett, 3.6%.

Lorillard also posted record dollar sales and its 12th straight year of record profits. Analysts point out that Lorillard's performance in a declining market was possible because industry-wide unit costs have risen only slightly, if at all, while consumer prices have been rising at nearly double-digit rates.

Lorillard posted a big 9.2% gain in sales of its full-price brands. It is the only cigarette manufacturer not involved in the generic and price/value category.

Newport remained the company's best-selling cigarette. The brand achieved a 4.2% market share in 1987 to place it sixth among cigarette brands in the U.S., according to the Maxwell report. The ten different Newport packings accounted for 50% of Lorillard's cigarette sales in 1987.

It trails the 23.6% share of Philip Morris' Marlboro; the 11.1% and 7.7% shares of the R.J. Reynolds Tobacco Co.'s Winston and Salem, respectively, the 6.0% share of Brown & Williamson Tobacco Corp.'s Kool and the 4.3% share held by P-M's Benson & Hedges in 1987. Only Newport and Philip Morris' Marlboro were among the full-price cigarettes to gain share points last year. Lorillard's Newport menthol cigarette is one of the fastest-growing within the brand, because of its popularity among young black smokers.

Promoted with the "Alive with pleasure" theme, Newport had the support of an estimated $33.2 million in measured media expenditures, primarily in magazines and outdoor, down slightly from 1986, according to BAR/LNA. In fact, spending in outdoor, the other major cigarette ad medium, also declined slightly.

Measured media spending for Kent, once Lorillard's leading brand, dropped to $8.7 million, down 21.8% from 1986. The former flagship brand recorded a 2.4% share of market and remains the 12th largest selling brand in the industry.

The True cigarette line in 1987 accounted for $4.3 million in measured media expenditures, down 69% from the previous year. In spite of a reduced ad budget, the True line maintained its 1.1% share of the market for the third consecutive year.

The main ad thrust in the True line supported True Gold brands introduced in 1985. That support came early in the calendar year because the brand was discontinued during the year. While halting manufacture of True Gold products, Lorillard changed the packaging on the original four True products from white to a contemporary silver package. A new ad campaign was launched in support of the repackaged True Silvers in the first quarter of 1988.

New Lorillard products which received introductory ad support in 1987 included Harley-Davidson cigarettes. The name was licensed from Milwaukee-based Harley-Davidson Motor Co. to brand a product geared to male smokers. This market segment is dominated by Philip Morris USA's Marlboro, the world's best-selling cigarette and R.J. Reynolds Tobacco Co.'s Winston.

The Harley-Davidson campaign received newspaper and outdoor advertising, along with free-standing inserts designed to reach 97% of men ages 25 to 47. With an eye on female smokers, last summer Lorillard introduced Newport Stripes, a 100mm cigarette with a white-tipped filter. The Stripes ad theme was "The latest in pleasure," building on Newport's long-running "Alive with pleasure" theme.

CNA Financial Corp., the Loews financial unit, also produced record growth and earnings in 1987. Advertising for the year totaled $5.9 million, down 9% from 1986.

"Bulova—It's America's Time" remained the umbrella theme for Loews' Bulova Watch division advertising, that drew $2.1 million in measured spending, up 16.6%. Major merchandising emphasis was given the Caravelle line to help it secure a strong position in the under-$100 market.

Bulova became the official supplier to the U.S. Olympic team, distributing watches to athletes in both Winter and Summer games. Special Olympic watches and clocks licensed by the U.S. Olympic Committee also were merchandised to the public.

In the Loews Hotels division, the Le Concorde hotel in Quebec City was purchased and extensive renovation at The Regency in New York and Loews Monte-Carlo in Monaco was completed. Comprehensive renewal work also was begun at other Loews hotel facilities. The hotels only receive minimal national ad spending.

The hotels group also marked the return of one of its most effective marketers, Preston R. Tisch, who resumed duties as president and co-CEO of Loews Corp., following a 19-month stint as U.S. Postmaster General.

LOEWS CORP.
667 Madison Ave.
New York, N.Y. 10021
(212) 545-2000

Lorillard Division

Corporate personnel: J.R. Ave, president-ceo.
Marketing personnel: R.H. Orcutt, sr vp-sales; T.H. Mau, sr vp-adv & brand mgmt; S.R. Ridgway, vp-pr; J.P. Mastandrea, vp-sales; Lou Gordon, vp-trade devel; G.R. Telford, vp-adv & brand mgmt; ; William Sands, media dir; P.A. Lawless, sales promo dir; S.T. Jones, mktg rsch dir; J.E. Daghlian, R.D. Hammer, Andrew Pasheluk, group brand dirs; K.P. Augustyn, sr brand mgr; V.D. Lindsley, C.D. Ray, J.A. Guardino, J.M. Wagner, brand mgrs; Eve Nadel, assoc brand mgr; Jessica Arato, Warren Weong, asst brand mgrs.
Corporate media buying: Pool/Sarraille, Palo Alto, Calif.: all media buying: Ed Sarraille, partner.
Brands/services by agency of record:

Newport
New prods

Ad agency: Ally & Gargano, New York: Warren Dechter, Ed Ricci, exec vps.

■

Kent
Kent III
Kent Golden Lights
New prods

Ad agency: BBDO, New York: Joe Barrett, vp-sr mgmt rep; Ken Angel, sr vp-mgmt super; John Marchese, vp-acct super.

■

True
Triumph
New prods

Ad agency: Saatchi & Saatchi DFS Compton, New York: Tom Bohan, Michael Jeary, mgmt dirs.

Loews Hotels
New York

Corporate personnel: Robert J. Hausman, chmn-ceo; Jonathon Tisch, president; William H. Maibach, exec vp-domestic operations.
Marketing personnel: Marian Succoso, dir-adv & sales promo; Michelle Oaklan, dir-pr.
Brands/services by agency of record:

Loews hotels

Ad agency: Arias & Sarraille, Palos Alto: Ed Sarraille, partner.

■

European hotels

Ad agency: Cavalieri & Kleier, New York: Ian Kleier, acct exec.

CNA Insurance Cos.
Chicago, Ill.

Corporate personnel: Edward J. Noha, chmn-ceo.
Marketing personnel: Philip L. Engel, vp-mktg; James G. Pettorini, asst vp, life, health, pensions distribution, mktg; Susan H. Hogan, sr mgr-corp comm.
Brands/services by agency of record:

Business & trade adv

Ad agency: Frank C. Nahser Inc., Chicago: Frank Nahser, president.

Bulova Watch Co.
Woodside, N.Y.

Corporate personnel: Andrew H. Tisch, president.
Marketing personnel: Robert E. Ryan, vp-mktg; Joe Klein, mktg dir-clocks; Peter Sandler, business devel mgr; Richard Jamroz, comm dir; Jan Disanto, mgr-business planning & prod devel.
Brands/services by agency of record:

Bulova watches, clocks

Ad agency: McCaffery & Ratner, New York: David Hooper, sr vp-mktg dir.

RANK
94

Marriott Corp.

Washington
ADVERTISING **$ 88.5** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	6,522	5,267	23.8
Earnings	223	192	16.3
■ Division sales	**1987**	**1986**	**% chg**
Lodging	2,673	2,233	19.7
Contract svcs	2,969	2,236	32.8
Restaurants	880	797	10.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	46	NA	NA
Business pub	978	863	13.4
Magazine	4,793	2,326	106.1
Newsp supp	95	87	9.1
Outdoor	1,031	1,034	(0.3)
Network TV	2,758	2,152	28.2
Spot TV	22,157	18,051	22.7
Network cable	106	119	(10.5)
Spot radio	558	876	(36.3)
Measured	32,523	25,507	27.5
Unmeasured	56,000	44,000	27.3
Total	88,523	69,507	27.4

Marriott Corp. cranked up its ad spending in 1987 as it consolidated acquisitions and expanded its hotel business to create a product for virtually every market segment.

Marriott, whose both sales and earnings have doubled in the past four years, in 1987 boosted measured spending for Marriott Hotels by 74% to $7.5 million; funneled $13.4 million into Roy Rogers Restaurants, up 34% and backed Bob's Big Boy family restaurants with $4 million, up 54%.

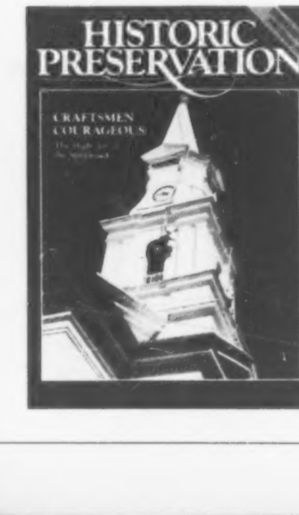
During the year, Marriott continued to move strongly into moderate and economy-priced hotels. It opened 14 full-service hotels and 40 moderate-priced Courtyard by Marriott hotels. And then earlier this year, disclosed plans to introduce Courtyard hotels in Great Britain. The company expects to have 110 Courtyard hotels on line by the end of the year.

In 1987, Marriott redoubled its attack

COSTUMES
OF EVERY DESCRIPTION
CUSTOM-MADE
FROM YOUR
LOGO ARTWORK
WALK-AROUND
COSTUMES FOR
IN STORE PROMOTIONS
SEND ARTWORK FOR
QUOTE OR $5 TO RECEIVE
CATALOG OF 200 AVAILABLE
"STOCK" DESIGNS
FACEMAKERS, INC.
DEPT. AA-1
140 FIFTH STREET
SAVANNA, IL 61074
815-273-3944

MAGIC C ME

AMERICA. ALWAYS IN STYLE.



Our 500,000 readers
give brilliant futures
to legacies from the past.

"AMERICA'S SHOWCASE OF THE
RESTORATION ARTS"

Call Missy Browne (202) 673-4065

on the moderate-priced segment with its acquisition of Residence Inn, which it promptly renamed Residence Inn by Marriott. The $260 million purchase added 12,300 suites to the Marriott chain.

Designed for customers who stay weeks or months in a hotel room, Residence does not compete directly with Courtyard. Marriott plans to double the more than 100 present units by the early 1990s, and to sell the company-owned Residence Inns to investors by the end of 1988.

In late 1987, Marriott also made a break for the economy segment of the market by opening its first Fairfield Inns. The first such hotels opened in Atlanta, Birmingham, Ala. and Detroit. TBWA Advertising of New York handled the advertising for the new hotels. The company plans to open another 20 Fairfield Inns by the end of 1988 and continue that expansion pace for several years.

This year, Marriott reported that it will continue to chase business in the economy market by spending $500 million over the next five years to develop a new line of economy motels.

The company also opened its first Marriott Suites hotel in 1987, which will compete for market share in the growing all-suites segment of the hotel business.

Although Marriott has a presence in every major U.S. market, the company is rolling out a smaller full-service hotel concept aimed at smaller, emerging markets.

Marriott's traditional full-service hotels led the industry for occupancy and profitability last year. Those results came after Marriott spent $100 million to refurbish a record 17,000 guest rooms. It plans to redo another 8,200 rooms in 1988.

The company also kicked off several promotional campaigns including an affinity credit card that is available as either a Visa or MasterCard. The card is designed for participants of the Honored Guests program, which offers bonus points for using Marriott hotels or other establishments.

By year-end 1987, Marriott had more than 100,000 hotel rooms in 361 properties worldwide—more than triple the 1980 number. By 1990, the company plans to add another 100,000 rooms.

In related businesses, Marriott began construction of two lifecare facilities in 1987, which it markets as "senior living services."

Marriott acquired Quornden Co. in July 1987. Quornden is a national leader in facilities management and plant operations.

After consolidating the 1986 acquisition of Saga Corp., the largest acquisition ever for Marriott, the company hoped to boost its food service market share, currently ranked second behind McDonald's. According to a report published in *Nation's Business*, Marriott held a 9.69% share as a result of $5.3 billion in 1987 sales, compared to McDonald's 10.4% share with $5.5 billion sales in food service management. In 1987, the division posted modest gains.

Airport operations and airline catering continued to lead the industry in 1987. Host International introduced food courts and expanded its fast food facilities in airports. However, Marriott's in-flight catering faced strong cost-cutting pressure from the airlines. Overall, the contract services segment of the business was not a strong performer in 1987.

ALBANY
NEW YORK

THE NATION'S
BEST PACKAGE RATE!

Local Rate Efficiency
In A Top Test Market!

Our statistical profile meets test market criteria, our major supermarkets buy and supply locally, and our Sunday/weekday POWER PACKAGE delivers 61% metro adult coverage at local rate equivalent.

For details on the Albany, NY test market, phone Chris Cunningham, Jr. at (518)454-5680.

AD SAT
Represented by Sawyer-Ferguson-Walker

New York's
CAPITAL NEWSPAPERS

More problems for Marriott surfaced in its restaurant operations. Big Boy rolled out several new dinners for its food bar in 1987, and added 96 new units to increase its market presence. But it still posted disappointing results. Eliot Benson, director of research for the Washington securities firm of Ferris & Co., said, "Bob's (Big Boy) has not lived up to expectations, and it is changing over to a new Marriott concept."

Marriott made an unsuccessful bid to acquire Denny's restaurants in 1987. It also juggled some of its other operations while selling more than 570 restaurants that it acquired when it bought Howard Johnson's and Saga Corp. It also sold off the Saga headquarters building and cut costs by consolidating Saga operations into existing Marriott facilities.

JB's Restaurants pulled its 110 JB's Big Boy restaurants out of the 900-unit chain after Marriott decided to sell the franchise rights for the family-style restaurants to Elias Bros. Restaurants.

As part of its agreement with Elias Bros., Marriott plans to convert its 200 some Big Boy restaurants into Allie's now being tested in California. Allie's is an updated and upgraded family dining version of the Big Boy restaurant offering a greater variety of menu selections including such things as breakfast tacos. Three Allies have opened, and when 10 conversions are completed, an Earle Palmer Brown TV campaign will kick in.

The Roy Rogers chain reported increased sales and profits in 1987, but it continues to suffer from weak customer awareness. Roy Rogers successfully introduced a new 69¢ cinnamon roll product in 1987, which helped build the breakfast and snack business. The product was introduced at the 150 outlets in Washington and Baltimore with a promotional campaign by Earle Palmer Brown.

Despite problems in the restaurant group, Benson said the company will continue to expand at or close to the company's stated objective of 20% a year. He pointed out that, while the most recent earnings are not on target, they still show strong growth.

"As they start cashing in on expansion, they will be able to get back to the 15% to 18% level," he said.

MARRIOTT HOTELS & RESORTS
Marriott Drive
Washington, D.C. 20058
(301) 380-9000

Marketing personnel: Roger Dow, vp-sales & mktg, hotels; Tom Nowlin, dir-adv & field mktg; Julie Moll, dir-mktg, Marriott Suites; Craig Lambert, vp-sales & mktg, Courtyard by Marriott; Mark Carter, dir-adv & pr, Courtyard by Marriott; Robert McCarthy, vp-mktg, Fairfield Inns; Robert Ziegler, dir-mktg, Fairfield Inns.

Brands/services by agency of record:
Marriott hotels
Fairfield Inns
Courtyard by Marriott

Ad agency: Lewis, Gilman & Kynett, Philadelphia: Richard Bonds, media mgr; Leila Safford, media planner; Robert Schell, mgmt super; Mary O'Leary, Leslie Bloch, acct execs.

Restaurant Operations

Marketing personnel: Lisa Krostue, vp-mktg, Roy Rogers; Rufus Schriber, vp-mktg, Big Boy; Doreen Lewins, dir-mktg, Travel Plazas & Hot Shoppes.

Brands/services by agency of record:
Roy Rogers restaurants
Big Boy restaurants

Ad agency: Earle Palmer Brown Cos., Bethesda, Md.: Joe Berligen, acct group dir (Roy Rogers); Sheryl Friedman, sr acct exec (Roy Rogers); Joan Greenwald, asst acct exec (Roy Rogers); Andrew Schlacht, acct super (Big Boy); Claire McCarthy, acct exec (Big Boy).

RANK
24

Mars Inc.

McLean, Va.
ADVERTISING: **$ 378.6** MILLION

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	650	507	28.1
Business pub.	3,977	2,747	44.8
Magazine	10,991	15,343	(28.4)
Newsp supp.	342	0	NA
Outdoor	56	102	(45.4)
Network TV	130,271	84,983	53.3
Spot TV	38,439	48,065	(20.0)
Network cable	14,877	17,668	(15.8)
Network radio	8,569	4,765	79.8
Spot radio	1,388	1,255	10.6
Measured	209,559	175,435	19.5
Unmeasured	169,000	142,000	19.0
Total	378,559	317,435	19.3

Mars Inc. hiked its 1987 ad budget 19.3% to finance an aggressive ad strategy for new products ranging from rice mixes to chocolate ice cream nuggets.

Mars' pet food division, Kal Kan Foods, rolled national this summer with a heavy TV and print schedule for Sheba, a premium cat food, which has enjoyed success in Europe. Backer Spielvogel Bates, New York, handles.

The candy division, M&M/Mars, is testing new products, including an ice cream version of 3 Musketeers; Balisto, a chocolate-covered grain-based bar and PB Max, a peanut butter chocolate bar. And Mars' Uncle Ben's division has introduced Country Recipe Garden Pasta Salads and Suzi Wan rice dinner dishes.

M&M/Mars, by far the largest division of this secretive, privately-held company, has been through the most turmoil in the past year.

In December, Mars fired Leo Burnett USA, Chicago, and in January reassigned more than $30 million in assignments between remaining domestic Mars agencies Backer Spielvogel Bates and D'Arcy Masius Benton & Bowles.

Mars corporate executives insisted on firing Burnett because Burnett client H.J. Heinz Co. had become a stronger contender in pet foods with the purchase of new brands such as Campbell Soup Co.'s Champion Valley Farms, maker of Recipe dog food. While Burnett handled only candy and ice cream brands for Mars in the U.S., Mars prefers its agencies to handle both candy and pet food here and overseas. Burnett, then, could never have become an international agency for Mars, the corporate executives believed.

At the same time, Mars top executives, in a show of displeasure, yanked about $10 million in billing for the Milky Way brand from Backer Spielvogel Bates. Mars found distasteful BSB parent Saatchi & Saatchi's double-page newspaper ad trumpeting hefty 1987 profits for the mega-agency.

Its point made, Mars rewarded BSB with several Burnett assignments, including 3 Musketeers and PB Max, the new candy bar still in test in Illinois. BSB's new assignments in recent months include the 3 Musketeers ice cream bar, available this summer in Washington, D.C., Baltimore, Chicago and several midwestern markets. BSB continues to handle Kudos, Snickers, Starburst fruit chews and M&Ms, chocolate and peanut.

For Snickers, Mars in July agreed to join with MGM/UA Home Video, to promote the video release of the movie "Moonstruck."The video will begin with a 60-second spot for Snickers, and Mars also will contribute to advertising the cassette movie. Mars has participated in similar tie-ins with video cassettes in Europe.

DMB&B, New York, another longtime Mars agency, won Mars Bar from Burnett, as well as Milky Way from BSB. DMB&B, St. Louis, also picked up Twix and Balisto, a new product in test in small Western markets. Balisto is a chocolate-covered, grain-based bar which Mars already markets in Europe. DMB&B St. Louis continues to handle Skittles and Combos.

This summer, Grey Advertising, New York, was handed its first Mars domestic assignments, DoveBar and Rondos, with combined billing of about $10 million. DoveBar was with Burnett; Rondos with Tatham-Laird & Kudner, Chicago.

Grey has been a Mars agency since 1985, when Grey International signed on for pet food and candy assignments in Europe. Grey handles Sheba overseas.

M&M/Mars had bittersweet news in July, when archrival Hershey Foods purchased Cadbury's U.S. operations, which include Peter Paul Almond Joy, Mounds and Cadbury chocolate bars. In the U.S., Mars has a 37% share of the candy market, giving it a slim, 1% lead over Hershey. Now, with the Cadbury purchase, Hershey commands 39%. Analysts predict Mars will retaliate next year with even more new products.

Mars has not been successful, however, in the salty snacks category, where it has killed several of its brands during the last two years. Cornquistos, available in the West, were pulled last year, leaving Mars only with Combos, present in about 80% of the country. Mars is likely to turn instead to ice cream novelties to expand its product mix, rather than salty snacks.

M&M/Mars candy measured media spending rose 9% in 1987 to $111.2 million. Snack food advertising fell 14% to $4.6 million. According to BAR/LNA, which measures spending in seven media, monitored spending for the candy and snack brands included: 3 Musketeers, $5.2 million, up 44%; Kudos, $15.9 million, up 253%; M&M Candies, $23.9 million, down 10%; Mars Bar, $5.5 million, down 6%; Milky Way, $10 million, up 8%; Royal's (a discontinued brand), $200,000, down 83%; Skittles, $7.9 million, up 9%; Snickers, $25.4 million, down 7%; Starburst, $7.1 million, up 22%; Twix, $9.9 million, up 1%; Combos, $4.3 million, up 10%; Cornquistos, $300,000, down 50%.

Personnel changes at M&M/Mars in the past year saw Bill Hellegas, president of Uncle Ben's, move to president of M&M/Mars. He replaced Howard Walker, who retired. At Uncle Ben's, Al Aragona, the former VP-marketing and sales, was promoted to president to replace Mr. Hellegas. Bob Black replaced Mr. Aragona in marketing.

Uncle Ben's spent $30.7 million in measured media last year, an increase of 12% from 1986, according to BAR/LNA. Most of the increase came from the 1987 introduction of Suzi Wan dinner recipes, available in four flavors and backed with a $6.9 million campaign. Significantly less was spent behind Uncle Ben's Country Inn rice mixes, a two-year-old product available in 11 flavors. Advertising for 1987 was $5.6 million, according to BAR/LNA, down 57% from the previous year.

Uncle Ben's also continues to cut spending on its Uncle Ben's Side Dishes, down 91% to $100,000. A new product in 1987, Uncle Ben's Stuffing Blend rice mixes, was backed with a $4.7 million campaign. Backer Spielvogel Bates handles all Uncle Ben's brands. For the main brand, Uncle Ben's Rice, spending increased 3% to $13.3 million in 1987.

This year, Uncle Ben's introduced pasta salad mixes with garden vegetables, available in four flavors under the Country Recipe label.

The news at Kal Kan Foods was its introduction this summer of Sheba, a premium cat food available in four flavors and sold in easily opened foil packages. Total measured spending for Kal Kan increased 35% to $47.3 million. Measured spending for individual products includes: Crave Cat Food, $12.6 million, up 15%; Kal Kan Canned Cat Food, $17.6 million, up 114%; Kal Kan Pedigree Canned Dog Food, $16 million, up 64%; Mealtime Dry Dog Food, $4.7 million, down 2%, according to BAR/LNA. Another $1.1 million was spent for general promotion of Kal Kan pet foods.

The DoveBar International division, based in Chicago, and purchased by Mars in August 1986, saw advertising soar from $1.6 million in 1986 to $9.7 million in 1987. Spending includes $5.3 million for the DoveBar, the chocolate-covered ice cream bar, up 200% in 1987. DoveBar in the past year introduced a smaller-sized version of the bar, sold in multipacks.

The division also attempted several new products, including Forever Yours Sundaes, which had about $2.3 million in measured media in 1987; and Rondos Ice Cream Treats, with $2 million. Reportedly, Forever Yours has not proven successful and will be pulled, allowing DoveBar to concentrate on its original products, as well as Rondos, which are bite-sized DoveBar morsels.

In the coming year, other ice cream versions of popular Mars candy bars, like the 3 Musketeers Ice Cream Bar now in test, may be produced. Grey Advertising, New York, will handle most of the ice cream assignments, although BSB has 3 Musketeers.

MARS INC.
1651 Old Meadow Rd.
Westgate Park
McLean, Va. 22102
(703) 821-4900

M&M/Mars Division

Hackettstown, N.J.

Corporate personnel: William Hellegas, president.

Marketing personnel: J. Langdon, sr vp-mktg; Randy Webb, vp-sales; Ted Lusher, dir-broker sales; Jim Conland, dir-trade devel.

Uncle Ben's Inc.
Houston, Texas

Corporate personnel: Al Aragona, president.

Marketing personnel: Robert Black, vp-mktg & sales.

Kal Kan Foods
Vernon, Calif.

Corporate personnel: Thomas Armstrong, president.

Marketing personnel: John Murray, vp-brands.

Brands/services by agency of record:

Pet foods
Kal Kan canned dog food
Sheba
Kudos
M&Ms
3 Musketeers
PBMax
Snickers
Starbursts
Uncle Ben's
Suzi Wan

Ad agency: Backer Spielvogel Bates Worldwide, New York: Norman Bierman, exec vp; Simon Turner, sr vp-mgmt rep (pet food); Sabrina Ross, Diana Calligan, acct supers (pet food); Ken Rogers, exec vp, multi-ntl mng dir (Candy & snacks); Sheila Paterson, exec vp (Candy & snacks); Paul Mesches, Alice Uniman, Dana Tower, sr vps-mgmt reps (Candy & snacks); Marci Kooperstein, Janet Stanton, acct supers (Candy & snacks); Randy Hackett, exec vp (Uncle Ben's, Suzi Wan); Alan Kellam, sr vp-mgmt rep (Uncle Ben's, Suzi Wan); Pat Janicek, acct super (Uncle Ben's, Suzi Wan).

■

Mars Bars
Milky Way

Ad agency: D'Arcy Masius Benton & Bowles, New York: Rod Torrance, sr vp-acct mgr; Stuart Grau, acct super.

■

Skittles
Combos
Balisto
Twix

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Rick Spatz, sr vp-acct dir; Dave Gulick, vp-mgt super; Laura Frerichs, acct super.

DoveBar
Rondos

Ad agency: Grey Advertising, New York: Richard Karp, exec vp-creative svcs.

RANK
56

Mazda Motor Corp.

Hiroshima
ADVERTISING: **$ 151.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	11,527	11,699	(1.5)
Earnings	32	57	(43.9)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	24,026	13,514	77.8
Business pub	136	1,265	(89.3)
Magazine	22,214	31,524	(29.5)
Outdoor	0	6	NA
Network TV	51,623	45,075	14.5
Spot TV	14,538	25,281	(42.5)
Network cable	3,083	1,756	75.5
Network radio	0	315	NA
Spot radio	264	788	(66.5)
Measured	115,884	119,524	(3.0)
Unmeasured	36,000	37,000	(2.7)
Total	151,884	156,524	(3.0)

Consolidation of three U.S. import/distributorships into a single corporate entity named Mazda Motor of America Inc. is expected to give focus and market responsiveness to Mazda in the U.S., after another year of declining worldwide sales and profits for the Japanese automaker.

Mazda's ad expenditures in this country also dipped slightly to $152.1 million, down 3.1% from a year earlier, despite several new introductions. Car and truck sales in the U.S. showed a corresponding decline, helping to set the stage for the reorganization of the U.S. operation.

Parent Mazda Motors Corp., Hiroshima, Japan, again felt the impact of the declining dollar. The strengthened yen undercut earnings severely despite corporate-wide, cost-cutting and shoring up of the company's worldwide marketing organization.

Sales and earnings of the parent company, Mazda Motor Corp., Hiroshima, Japan, which appear in the accompanying box for fiscal years ending Oct. 31, were converted from yen to dollars at a rate of Y161 = U.S.$1 for both years.

At the same time, worldwide unit shipments in fiscal 1987 ended Oct. 31, including knockdown sets, were up 5.8% over the previous year, to 1,486,157. Sales of passenger cars were up 14.4%, to 1,026,894 units, and sales of commercial vehicles declined 9.6% to 459,263 units.

The continuing slump in sales and earnings triggered the resignation late last year of Kenichi Yamamoto, president of the parent company.

Then in July 1988, the Japanese automaker merged its U.S. operations and became Mazda Motor of America Inc., with headquarters in Irvine, Calif. The new company now controls all importing, marketing and distribution of Mazda vehicles in the U.S. Those functions were previously handled by three regional groups with their own managements and business strategies. Mazda Motors of America (Central) served 31 Western and Midwestern states; Mazda Motors of America (East) was responsible for 18 Eastern states and Shelly Motors, an independent distributor, served Hawaii. Yoshinori Taura, formerly head of MMA (Central), was named president of the newly-formed Mazda Motor of America Inc.

Key objective of the streamlined Mazda group has been the setting up of a single national ad department. Marching orders are to tighten the ad focus, establish a stronger brand image and increase visibility and consumer awareness. The centralized operation should allow faster response in devising ad strategies and media plans, and reduce the number of people involved in decision-making, which hindered client/agency action in the past.

Mazda took a big step in 1987 when it began its first U.S. production run from its Flat Rock, Mich. plant operated by Mazda Motor Mfg.(USA) Corp. (MMUC). The plant's 1987 output consisted of the Mazda MX-6 luxury sports coupe and the Ford Probe, a compact front-wheel-drive car originally planned to replace the Mustang. About 60% of the plant's output, now rated at 240,000 units per year, consists of Ford Probes. Ford advertising does not mention Probe's Japanese roots. Ford owns 25% of Mazda.

With domestic production ensuring a supply of autos beyond import quotas, Mazda expanded its dealerships to 812 in 1988 from 703 at the close last year.

Sales of imported Mazdas totaled 330,053 units in the U.S.—206,354 cars, down 7.3% from a year earlier, and 123,699 trucks, down 21.2% from 1986. Mazda took a 6.5% share of the total import car market, down from 6.8% in 1986. Mazda auto sales represented 2% of the total U.S. market, behind Honda at 3%, Toyota's 5.7%, and Nissan's 3.9%.

Best selling models were in the popular 323 series (priced $5,999-$12,999), which accounted for 76,212 units, followed by the 626 models (priced $10,799-$17,599) at 74,439 units and the top-of-the-line RX-7s (priced $15,880-$22,340) at 38,345 units.

The four-wheel-steering system (4ws) from Mazda arrived in the U.S. last summer. Unlike the 4ws models introduced earlier by Honda, as a high-tech option on the sporty Prelude, Mazda introduced it on the 626 family cars. It promoted 4ws as a safety feature.

With truck sales of 123,699 units, down 21.2% from 1986, Mazda ranked third among the Japanese importers in the U.S. truck market, with a 2.49% share of the total market, after Toyota's 6.1%, Nissan's 4.3%, but ahead of Isuzu's 1.7% and Mitsubishi's 1%.

The company continued to market its compact pickup trucks the same way it sells cars: Homing in on the wealthy, urban customers. Despite the dismal truck picture last year, Mazda was able to report a 10% increase in sales for the first half of its 1988 fiscal year. The company reportedly is considering U.S. truck production through its Ford partner to counter the decrease in sales from exchange-rate-driven price increases and the 25% duty on the imported units.

Ford also plans to share production of its new 4-door Bronco II to give Mazda a sport-utility unit to be sold under the Mazda nameplate by U.S. dealers. The vehicle will be built at Ford's assembly plant in Louisville, Ky. and be sold through both franchises in the 1990 model year.

Corporate ads that rolled out in the fall of 1987 for the 1988 line featured actor James Garner emphasizing Mazda's commitment to customer satisfaction. (Mazda gave a 3 year/50,000 mile warranty to customers on all its vehicles.) Ads featured the new 929 luxury sedan, an updated 626 sedan and the MX-6 sports coupe produced by the Flat Rock, Mich., plant.

In mid-summer 1988, health problems of Mr. Garner and the arrival of a new marketing team at Mazda also prompted personnel changes at Foote, Cone & Belding, as well as the advertising approach being taken by the agency.

There was speculation that Mr. Garner's heart surgery problems could keep him off screen in some upcoming spots for the introduction of models in the 1989 line. If he doesn't appear in the 1989 campaign this fall, he may be used for voice-overs to retain continuity.

During calendar 1987, the restyled 323 and 626 models accounted for $36.2 million in measured media, most of it spot and network TV and magazines. Small truck advertising represented another $13.6 million in measured media.

Mazda expanded its sponsorship of NFL football, NCAA basketball and other sporting events. The "Mazda Sportslook" series of sports journalism programs on cable's ESPN continued for the eighth year. As the exclusive automotive sponsor, the company gave its name to the Mazda Gator Bowl in the post-college season football games. It also continued sponsorship of women's professional and senior professional golfing events.

MAZDA MOTORS
OF AMERICA
7755 Irvine Center Drive
Irvine, Calif. 92718
(714) 727-1990

Corporate personnel: Yoshinori Taura, president-ceo; George McCabe, deputy genl mgr, group vp-mktg & sales; Jim Seidel, deputy genl mgr, group vp-operations.

Marketing personnel: Yogi Toyama, sr vp-mktg; Richard Colliver, sr vp-western area; James Weisner, sr vp-eastern area; William Hackett, vp-mktg; Jan Thompson, vp-adv; Duane Bowen, vp-pr; Robert Parker, vp-sales support; William Wolf, pr mgr.

Brands/service by agency of record:

Mazdas

Ad agency: Foote, Cone & Belding, Orange County, Calif: Tom Randolph, chmn, FCB/West; Mike Davis, vp-mgmt dir; Steven Morrissey, vp-mgmt dir; Robert MacDonald, vp-media dir; James Barr, exec vp-exec creative dir; Henry Caroselli, sr vp-creative dir.

RANK
93

MCA Inc.

Universal City, Calif.
ADVERTISING: **$ 91.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2,590	2,438	6.2
Earnings	137	151	(9.0)
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	2,073	1,926	7.6
Operating income	162	103	58.3
■ *Division sales*	*1987*	*1986*	*% chg*
Film	1,330	1,308	1.7
Music	477	386	23.6
Retail, mail order	320	302	6.0
Book publishing	159	132	20.5
Toy prods	111	208	(46.6)
Broadcasting	85	NA	NA

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,763	1,581	11.5
Business pub	11	19	(44.8)
Magazine	5,552	4,677	18.7
Newsp supp	332	20	1,552.7
Outdoor	750	629	19.4
Network TV	19,722	31,342	(37.1)
Spot TV	18,257	15,052	21.3
Network cable	3,612	4,309	(16.2)
Network radio	137	765	(82.2)
Spot radio	4,231	4,127	2.5
Measured	54,366	62,521	(13.0)
Unmeasured	37,000	42,000	(11.9)
Total	91,366	104,521	(12.6)

MCA's toy products division, its big money loser in 1987, has continued to sap the company's income this year with overall ad spending adversely affected.

In the second quarter of 1988, MCA reported a 79.5% drop in net income to $8.1 million, resulting from a $35 million loss on defective Gotcha! guns, a now-discontinued product of MCA's LJN Toys. MCA also took a writedown on its investment in West Hartford, Conn.-based toymaker Coleco, which filed for bankruptcy protection in July.

In spite of the net income plunge, MCA showed higher revenues for the quarter, up 5.3% to $643.6 million. Operating income for filmed entertainment, the company's largest division, rose 19%, due to television syndication revenues and videocassette sales.

During 1987, MCA had record-high revenues but ailing net income. Operating income went up for the company's film, music and book divisions, but retail and mail order income decreased and toy products suffered a hefty loss. Measured advertising for the company dropped 13% to $54.4 million.

Its filmed entertainment division, which includes theatrical film and television products from Universal Studios, home video and pay TV and Universal Studios Tour, contributed 51.4% of MCA's revenues and 71.3% of its operating income. Operating income jumped 89.4%, largely because a weak TV syndication market resulted in a $50 million charge against operating income in 1986.

Although MCA films fared better in 1987 than in 1986, when box office sales for "Howard the Duck" totaled less than half of the reported $40 million the film cost, the company has yet to approach the success of its 1982 blockbuster, "E.T." Top performers were "Dragnet" and "The Secret of My Success." The former drew $30.1 million from theater rentals, while the latter pulled $29.5 million, according to *Variety*.

Although Universal released 15 films last year, compared to 12 in 1986, its market share slipped to 8% based on North American theatrical film rentals, according to *Variety*. This ranked Universal sixth among motion picture companies; Paramount leads with 20%. Universal ranked fourth in 1986 at 9%, and second in 1985, at 16%.

Measured advertising for theatrical films dropped 11.8% to $33.6 million, with the majority going to network TV, according to BAR/LNA. The levels of spending for new releases varied greatly, with "Dragnet," "The Secret of My Success," and "Harry and the Hendersons" receiving over $4 million each, and disappointing performers such as "Amazon Women on the Moon," "Hail, Hail Rock 'n' Roll," and "Walker" showing under $200,000.

The soft television syndication market for hour-length programs hit MCA-TV relatively hard. The company couldn't find buyers for "Miami Vice" and instead licensed it to the USA Network cable service, of which it owns 50%. MCA did better with its half-hour programs, obtaining renewals for "Charles in Charge," "Bustin' Loose" and "Puttin' on the Hits." This year it also will start to receive syndication revenues from "Kate and Allie."

In pay TV, MCA picked up revenues from "Back to the Future," "Out of Africa" and "Legal Eagles," and signed major licensing agreements, covering over 200 library titles, with Showtime and American Movie Classics.

MCA Home Video added almost 100 first-time releases, including "An American Tail," which became a 1 million-seller, as well as "Legal Eagles," "The Secret of My Success," "Howard The Duck," "Harry and the Hendersons" and "Psycho III." Measured ad spending went up 14.6% to $2.4 million with 45.8% going to magazines.

Universal Studios Tour reported record attendance of over 4 million, up 4%, a 12% increase in revenues, and 14% increase in operating income. Measured advertising for the tour increased 26% to $2.5 million, primarily on spot TV.

MCA is in the midst of a major expansion of its tourist attractions, which also has proved to be in competition with the Disney Co. In Orlando, home of Walt Disney World, Universal Studios Florida will begin production late this year and will offer its studio tour at the end of 1989. The attraction is a joint venture with Cineplex Odeon, a Toronto theater chain of which MCA owns 50%.

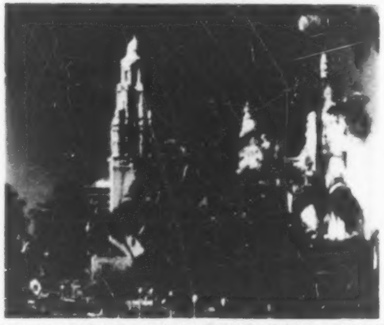
MCA's music division showed a 21.1% increase in operating income. Among MCA Records releases, the debut album by 16-year-old Tiffany scored triple platinum status (3 million in sales), and platinums went to albums by Belinda Carlisle, Jody Watley, George Strait, the late Patsy Cline and the soundtrack from "Beverly Hills Cop II."

Because of a significant drop in sales of 14 karat gold jewelry at its Spencer gift stores and Intrigue jewelry stores and kiosks, income for the retail and mail order division fell 38.2%. The division also includes A2Z-The Best of Everything stores.

Income from book publishing (Putnam

PATRIOTIC PROMOTIONS
Historical Documents
Posters • Money
Constitution Bicentennial
Premiums • Self-Liquidators
Direct Mail Enclosures
400 Stock Items • Custom Work
Genuine antiqued parchment replicas look and feel centuries old.
FREE CATALOG, SAMPLES
HISTORICAL DOCUMENTS CO.
8 N. Preston St., Phila., PA 19104
Ask for Larry (215) 387-8076

REQUEST FOR PROPOSALS



HOME OF WORLD FAMOUS SAN DIEGO ZOO AND OLD GLOBE THEATRE SEEKS A SPONSOR.
The City of San Diego is seeking a sponsor for its Balboa Park Tram Transportation System. Sponsor will enjoy a high prestige marketing opportunity and extraordinary visibility for more than 12 million park visitors annually.
For copy of the RFP, call or write:
Mr. David Twomey, Assistant Director
City of San Diego Park and Recreation Department
Conference Building, M.S. 37
Balboa Park
San Diego, California 92101
(619) 236-5726
Proposals due 5:00 P.M. Friday, November 4, 1988
Pre-proposal conference will be 10:00 A.M. Friday, October 14, 1988, Casa Del Prado, Balboa Park, San Diego, CA 92101.

Publishing Group) increased 9.3% to $18.1 million.

The company's toy products division, acquired in 1985, registered an operating loss of $36.4 million. The company attributes the dramatic loss to a significant downturn in the toy market, which coincided with aggressive expansion at MCA's LJN Toys, late delivery of several product lines and the costs of the expansion. Measured advertising for toys totaled $7.6 million, down 27.6%.

This was the first year in which MCA received income from its broadcasting division, formed in 1986 when the company agreed to acquire WWOR-TV in Secaucus, N.J.; the acquisition was completed in April 1987.

MCA INC.

100 Universal City Plaza
Universal City, Calif. 91608
(818) 777-1000

Corporate personnel: Lew R. Wasserman, chmn & ceo; Sidney J. Sheinberg, president-coo; Thomas Wertheimer, exec vp.

MCA Motion Picture Group

Corporate personnel: Thomas Pollock, chmn; Joseph Fischer, Fred Bernstein, sr vps.

Universal Pictures

Marketing personnel: Simon M. Kornblit, exec vp; Nadia Bronson, David Sameth, vps-creative adv, creative dirs; Victor Fondrk, vp media & co-op adv; Charlotte K. Reith, vp-planning & finance; Perry Katz, vp-mkt rsch; Sally Van Slyke, vp-West Coast publicity, promo & natl field operations.

Brands/services by agency of record:

MCA Motion Picture Group

Ad agency: DDB Needham Worldwide, Los Angeles: David Park, president; Victoria Gilbert, sr vp, dir-media; Sandra Corvell, asst dir media; Ann Marie Whitman, acct super; Pamela Blum, asst acct exec.

MCA Home Entertainment Group

Corporate personnel: Eugene F. Giaquinto, president.

Marketing personnel: Lewis Feola, sr vp-mktg; Craig Relyea, dir-adv; Roger Mill, dir-new mktg; Andrew Kairey, vp-adv & promo.

Brands/services by agency of record:

MCA Home Entertainment Group

Ad agency: Cavalieri & Kleier Advertising, New York: Ian Kleier, president; John Cavalieri, chmn; Mark Siegried, acct super.

MCA Recreation Services

Marketing personnel: Jay S. Stein, vp-MCA Inc., president-MCA Recreation Services; Joan Bullard, vp-publicity & pr.

Brands/services by agency of record:

Universal Studios, Florida
Universal Studios Tour
Yosemite Park & Curry Co.

Ad agency: Foote, Cone & Belding, Los Angeles: Steve Hayman, genl mgr; Hal Kaufman, creative dir; Deborah Nelson, acct dir; Lisa Pompan, media super.

Spencer Gifts
Atlantic City, N.J.

Corporate personnel: John P. Hacala, corp president; George Moser, president-mail order div; S. Gary Stern, exec vp, genl mgr-mail order div.

Brands/services by agency of record:

Spencer Gifts

Ad agency: Unavailable at time of publication.

MCA Music Entertainment Group

Corporate personnel: Irving Azoff, chmn; Larry Solters, sr vp.

Marketing personnel: Richard Palmese, exec vp-mktg & promo; Glen Lajeski, vp-merch; Lou Mann, vp-mktg; Jeff Adamoff, dir-creative svcs; Steve Meyer, sr vp-promo.

Brands/services by agency of record:

MCA records
Motown records

Ad agency: (In-house) Lankershim Advertising, Universal City, Calif.: Glen Lajeski, vp-adv & merch.

RANK
8

McDonald's Corp.

Oak Brook, Ill.
ADVERTISING **$ 649.5** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	14,330	12,432	15.3
Earnings	549	480	14.4
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	10,576	9,534	10.9
■ ***Division sales***	***1987***	***1986***	***% chg***
Systemwide sales	14,330	12,432	15.3
U.S.	10,576	9,534	10.9
Foreign	3,754	2,898	29.5
Company-owned	3,667	3,106	18.1
■ ***Division sales***	***1987***	***1986***	***% chg***
Franchises	1,186	1,037	14.4

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub.	14	NA	NA
Magazine	7,192	609	1,081.3
Newsp supp.	1,236	0	NA
Outdoor	6,607	5,544	19.2
Network TV	216,067	193,002	12.0
Spot TV	129,010	128,180	0.6
Network cable	1,820	1,820	(0.0)
Spot radio	4,548	4,654	(2.3)
Measured	366,493	333,808	9.8
Unmeasured	283,000	258,000	9.7
Total	649,493	591,808	9.7

McDonald's Corp. early in 1988 opened its 10,000th store in a small Virginia town outside Washington. That milestone is a testament to the world's largest restaurant chain's ability to continue its growth despite the continual warnings that the fast-food business has reached its "saturation point" and in the face of sluggish growth by many of its competitors.

But McDonald's steady growth has been maintained by flexibility and change as well as by the protection afforded by its mass. Critics and competitors who suggested that McDonald's had run out of new ideas and would run out of steam were confounded by what the company and its franchisees achieved in 1987.

For one thing, McDonald's continued to grow faster than any other major fast-food chain. U.S. sales by company- and franchisee-owned restaurants rose 11% to $10.58 billion. The total fast-food industry grew at less than half that rate to $56 billion, giving Big Mac a 19% share.

Overseas McDonald's sales grew at an even more impressive rate, rising 30% to $3.75 billion (for company and franchised stores). At the end of 1987, there were 9,911 McDonald's restaurants open throughout the world, 7,567 of them in the U.S. The chain opened its first stores in Macau and Scotland.

This year McDonald's opened its first restaurant in a communist nation, Yugoslavia. It also achieved a goal it has pursued for more than a decade, signing an agreement to open restaurants in the Soviet Union.

Sales from company-owned and franchised restaurants grew to $4.89 billion worldwide in 1987, up 15.4%, while net income grew 24% to $596.5 million.

Total sales can be misleading, because of the number of stores opened and, in the case of overseas operations, by currency exchange-rate fluctuations. As a result, a more-telling industry benchmark is annual per-store sales. The average McDonald's restaurant open at least one year, had sales in 1987 of $1.5 million, up nearly 10% from $1.37 million in 1986. Neither Burger King nor Wendy's have been able yet to crack the $1 million mark.

As with most franchised systems, McDonald's advertising is funded by a combination of contributions from franchisees' sales and corporate monies. Since McDonald's has the most stores and the highest per-store sales average, it also is, and has been for many years, the biggest spender on advertising in its business.

According to its annual report, McDonald's Corp., its franchisees and its joint-venture partners spent a total of $918 million on advertising and promotion worldwide in 1987. That works out to 6.4% of global sales. In 1986, the McDonald's empire spent $789 million or 6.3% of worldwide sales.

An estimated $680 million of that total was spent on U.S. marketing by the company and its franchisees. That is 74% of the total, corresponding to the percentage of global sales accounted for by U.S. McDonald's restaurants.

McDonald's spent $366.5 million on measured media in 1986, up 9.8% from 1986. Once again, the vast majority (94%) of that media budget went to TV advertising. McDonald's $345 million TV (network and spot) budget represented 27% of the $1.3 million spent through that medium by the total U.S. restaurant industry in 1987.

But McDonald's heavy presence as a TV advertiser no longer is news. Its clout is something competitors have learned to live with and have stopped dreaming of someday matching.

What was news in 1987 was McDonald's embrace of print advertising. Beginning in January, it began running a series of page ads in a wide range of publications, touting the nutritiousness of its food. That effort ran throughout the year and has continued into 1988. In 1987, the chain spent $7.2 million on magazine advertising, compared with only $609,000 in 1986.

As the largest fast-food marketer, McDonald's also is the most visible and most closely monitored such company, and its nutrition print campaign drew some criticism.

The attorneys general of California, New York and Texas jointly sent a letter to the corporate headquarters in April 1987 asking that McDonald's pull the ads. They charged that the ads did not mention some menu items to which stated nutrition claims (such as lowered sodium content) did not apply and that the ad claims for low cholesterol levels in some items ignored the potential dangers in those products' levels of saturated fats.

McDonald's refused to withdraw its ads, although those to which critics had objected eventually were replaced. The chain said the changes were due simply to the normal cycling in of new executions rather than a response to criticisms.

What separates McDonald's from other marketers in the restaurant industry is the variety of its advertising messages, styles and strategies.

One of its most successful efforts was the late-1987 appearance of "Mac Tonight," a character with a crescent moon-shaped head used to promote special evening price discounts.

The character had been created and successfully used first by Davis, Johnson, Mogul & Colombatto, Los Angeles, agency for the Southern California operators co-op.

National agency Leo Burnett USA, Chicago, created commercials with the character, set to the song "Mack the Knife," and "Mac" became a national hit. McDonald's plans to air a second round of "Mac Tonight" commercials in 1988's fourth quarter and to license the character to apparel makers.

To keep its advertising messages fresh, McDonald's airs an enormous number (more than 200 annually) of different commercials each year. It also continually makes subtle adjustments in its advertising.

One of those changes was the introduction of a new song early in 1988. While the musical score was completely new, the theme changed only slightly, with "The good time great taste of McDonald's" replacing "It's a good time for the great taste of McDonald's."

McDonald's has found that it can reprise successful promotions as well as well-received advertising. In 1987 it ran a game-card promotion thematically tied to the popular board game Monopoly. That promotion was the most successful in its history, so it was run again in 1988. The second version of the Monopoly game involved prizes from General Motors' Oldsmobile division and giant retailer Sears, Roebuck & Co.

McDonald's and Sears have become partners in other ventures. The retailer in 1986 began offering an exclusive line of children's clothing called "McKids" and incorporating McDonald's distinctive Golden Arches logo. This year Sears is opening stand-alone McKids stores.

Another cooperative venture involves children's meals. Toy figurines representing characters in Walt Disney Co. animated films (such as "Bambi" in 1988) have been offered in McDonald's Happy Meals for children. Packaging directs parents' attention to Sears, where additional toys based on those films are sold.

McDonald's also has discovered that menu items can be used as promotional vehicles. Rather than permanently add new items to its menu, the chain has cycled several products in as limited-time features. These have included a Cheddar Melt sandwich (a hamburger with onions and cheese sauce on a rye bun), and variations on its Chicken McNuggets. In 1987, McDonald's offered Oriental dipping sauces for the chicken chunks; in 1988 it was Mexican salsas (coupled with a free Latin American coin offer).

Still in test are a reformulated McChicken chicken patty sandwich, a chicken version of its McD.L.T. sandwich and McPizza, a single-serving pizza product. New products are expected to bolster McDonald's breakfast menu in the next year as well.

MCDONALD'S CORP.

One McDonald's Plaza
Oak Brook, Ill. 60521
(312) 887-3200

Marketing personnel: Paul D. Schrage, sr exec vp-chief mktg officer; Peter A. Nelson, sr vp-mktg; Richard G. Starmann, sr vp-comm; Roy T. Bergold Jr., vp-adv; David B. Green, vp-natl mktg; Ronald W. Miessler, vp-comm svcs; Laurie Grace, asst vp, dir-mktg; Jim Rand, asst vp-mktg svcs; Charles L. Rubner, asst vp-comm; Emil Terri, asst vp-mktg & media svcs; Dean Barrett, asst vp-natl mktg; David Dandurand, dir-sports mktg; Chuck Ebeling, dir-corp comm; Court Kenaston, Jerry Powers, Vic Trela, dirs-field mktg; Linda Kravitz, dir-youth mktg; Don Lorr, dir-mktg rsch.

Brands/services by agency of record:

McDonald's

Ad agency: Leo Burnett USA, Chicago: Jim Shymkus, exec vp, client svcs dir; Jerry Conner, Barry Krause, sr vps-acct dirs; David Heggen, Debra Stowe, Suzanne Farrand, Nina Abnee, Michael Tam, Tom Claggett, acct supers.

■

Black consumer mktg

Ad agency: Burrell Advertising, Chicago: Barbara Jackson, vp-acct super.

■

Hispanic consumer mktg

Ad agency: Conill Advertising, New York: Noah Sifuentes, vp-mgmt rep.

■

Sales promo

Ad agency: Frankel & Co., Chicago: James Mack, exec vp; Roger Lipker, vp-acct dir, sports mktg; Robert Schneider, vp-acct dir, youth mktg; Rick Bollinger, vp-acct dir, adult mktg.

RANK
50

Mobil Corp.

New York
ADVERTISING **$ 166.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	56,716	49,865	13.7
Earnings	1,258	1,407	(10.6)
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	22,350	19,250	16.1
■ ***Division sales***	***1987***	***1986***	***% chg***
U.S. petroleum	14,082	11,794	19.4
Foreign petroleum	33,804	29,200	15.8
Chemicals	2,926	2,391	22.4
Montgomery Ward	5,342	5,065	5.5

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	6,366	7,912	(19.5)
Business pub.	2,229	2,564	(13.1)
Magazine	3,744	3,957	(5.4)
Newsp supp.	360	415	(13.3)
Farm pub.	253	265	(4.3)
Outdoor	94	66	42.5
Network TV	12,996	10,619	22.4
Spot TV	17,108	16,285	5.1
Network cable	1,248	1,103	13.1
Network radio	200	90	121.0
Spot radio	7,689	9,598	(19.9)
Measured	52,285	52,874	(1.1)
Unmeasured	114,000	115,000	(0.9)
Total	166,285	167,874	(0.9)

Mobil Corp., in a move to reverse its unprofitable efforts to diversify, sold off Chicago-based retailer Montgomery Wards for $1.6 billion to an investment group headed by MW management.

The sale, finalized in June 1988, will significantly reduce Mobil's 1988 ad budget. In 1987, the retailer accounted for 15% of measured spending at Mobil, according to BAR/LNA totals.

A large chunk of Mobil's ad spending is attributed to Mobil Corp.'s sponsorship of various events including the Williams racing team in the Grand Prix Drivers Championship, the Mobil Track & Field Championship and Public Television's Masterpiece Theater. Mobil Corp. also continues as a corporate voice on national issues that affect the industry through advocacy advertisements. DDB Needham, New York, handles.

Mobil now has only two divisions that advertise consumer products. Mobil Oil's Marketing & Refining division, Stamford, Conn., markets gasolines and motor oils, and Mobil Chemical Co., also in Stamford, markets consumer chemical products including Hefty, Kordite and Baggies.

Mobil gasoline had another successful year as U.S. sales increased to 865,000 bbls. per day in 1987 from 841,000 bbls. in 1986. Leading in this climb was Mobil's Super Unleaded Plus with sales up 27%. Mobil Oil, in keeping up with its competitors, introduced its 93-octane Super Unleaded Plus in Chicago, St. Louis, Madison, Milwaukee and Green Bay, Wis. The new gasoline, according to

Get the
complete retail picture with
TRADE DIMENSIONS
library of directories.

The book of supermarket distribution facts.

The supermarket share guide to syndicated markets.

The book of C-store market facts.

Marketing Guidebook
Market Scope
Directory of Convenience Stores
Directory of Mass Merchandisers
Retail Tenant Directory

The guide to retail mass merchandisers.

The prospecting guide to retail tenants.

Progressive Grocer's
TRADE DIMENSIONS

For immediate service, call (203) 977-2902
Four Stamford Forum Stamford, CT 06901

the company, is designed to meet the needs of consumers wanting higher-quality and better performance fuels for their automobiles.

BAR/LNA does not break out spending for each gasoline but the entire line received $7.4 million in measured ad support, virtually unchanged from 1986. Mobil currently holds a 6.9% share of the auto gasoline market putting it in fifth place. Shell leads the market with a 9.4% share, followed by Chevron at 8.1%, Texaco at 7.6% and Amoco at 7%. Mobil expects further growth as it continues to modernize its service stations presently located in 32 markets spanning 16 states.

Mobil 1 synthetic lubricant was supported by $6.5 million in measured media, up 3.6% from 1986. DDB Needham, New York, demonstrated Mobil 1's ability to withstand extreme temperatures in a TV spot that used the talents of special-effects supervisor George Gibbs of "Indiana Jones and the Temple of Doom."

Mobil ranks fourth in the lubricants market with a 6.4% share behind Exxon (21.7%), Sun (10.8%) and Chevron (10.5%).

Mobil Chemical had record sales in 1987. Hefty, its offering in the plastic bag market, continued to fight First Brand's Glad bags for market leadership. The line currently holds a 31.6% share compared with Glad bags 32.5%. Hefty Cinch Sak led the brand's charge in 1987 with a 22% increase in sales. In a line extension, the company introduced a Super Cinch drawstring bag in 1988. For the year, measured ad support for the Hefty line grew 9.3% to $11.8 million.

Introduced in 1987 by Mobil Chemical was Lustra premium gift wrap made with Mobil's OPPalyte film. The product was supported by $404,000 in spot TV and initial supplies have sold out.

Results for the first-half of 1988 show earnings at $992 million, up 78% from the first half 1987. The increase comes mainly from record income for Mobil Chemical Co. In addition, auto gasoline sales grew by 2% and lubricants by 17%.

MOBIL CORP.
150 E. 42nd St.
New York, N.Y. 10017
(212) 883-4242

Corporate personnel: Allen E. Murray, chmn & president-coo.

Brands/services by agency of record:

Corp adv

Ad agency: DDB Needham, New York: Lawrence Iannuzzelli, exec vp; Anne Oliver, sr vp-mgmt super.

Mobil Oil Corp.
New York

Corporate personnel: Allen E. Murray, chmn & ceo; Richard F. Tucker, vice chmn & president-coo ; Eugene A. Renna, president-Mobil mktg & refining-Worldwide.

Mobil U.S. Marketing & Refining Division
Fairfax, Va.

Marketing personnel: Joseph L. Cooper, president.

Brands/services by agency of record:

Mobil auto gasoline
Mobil 1 oil

Ad agency: DDB Needham, New York: Lawrence Iannuzzelli, exec vp; Bill Mattes, sr vp-mgmt super.

Mobil Chemical Co.
Stamford, Ct.

Marketing personnel: Robert G. Weeks, president.

Brands/services by agency of record:

Hefty bags
Baggies
Kordite

Ad agency: Wells, Rich, Greene, New York: Sandy Carlson, exec vp-creative dir.

RANK
99

Monsanto Co.

St. Louis
ADVERTISING: **$ 84.7** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	7,639	6,879	11.0
Earnings	436	433	0.7
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	4,883	4,638	5.3
Operating income	501	506	(1.0)
■ *Division sales*	*1987*	*1986*	*% chg*
Chemicals	3,858	3,548	8.7
Agri prods	1,305	1,153	13.2
Electronics	185	154	20.1
Fisher Controls	749	645	16.1
NutraSweet	722	711	1.5
Pharmaceuticals	820	665	23.3
Other	NA	3	NA

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	858	380	126.0
Business pub	2,908	2,639	10.2
Magazine	5,069	3,723	36.2
Newsp supp	76	61	24.8
Farm pub	5,997	5,501	9.0
Outdoor	3	21	(86.0)
Network TV	32,580	35,217	(7.5)
Spot TV	4,423	6,142	(28.0)
Network cable	592	318	85.9
Network radio	1,637	3,133	(47.7)
Spot radio	1,547	1,428	8.3
Measured	55,689	58,563	(4.9)
Unmeasured	29,000	30,000	(3.3)
Total	84,689	88,563	(4.4)

Monsanto, whose acquisition of G.D. Searle Co. in 1985 touched off a sweeping strategic repositioning within the company to free it from highly-cyclical commodity-type businesses, may discover that pivotal move to have been its bugbear.

Searle overnight made Monsanto the world's No. 1 marketer of aspartame. It also housed a potentially strong pharmaceutical unit that produced and marketed the Copper-7 intrauterine device. But Copper-7 figured into an $8.75 million judgment against Searle (Monsanto) this month in a St. Paul federal court.

The case could touch off a flood of lawsuits against Monsanto, shades of the Dalkon shield and A.H. Robins, because the woman involved in the case claimed the IUD led to sterility. The court found that Searle had failed to issue warnings about risks connected with the birth-control device and that the company had intentionally misrepresented the IUD. More than 10 million women used the device between 1974 and 1986.

The judgment comes at a time when the Searle drug unit seemed about to turn around its operations. Although it has not posted operating gains since the Monsanto buyout, it has a list of promising products in the regulatory pipeline. Searle alone spent 24% ($200 million) of its sales in 1987 for R&D, well above the pharmaceutical industry's 15% average.

These high R&D costs carried throughout the company, and along with charges related to restructuring, acquisitions and divestitures, kept the lid on earnings in 1987. Earnings climbed only 1% above 1986 levels on an 11% growth in sales. However, for the first six months of 1988, net income has increase 43% to $220 million as sales have grown 2% to $2.26 billion.

In measured advertising, Monsanto's biggest change was for household carpeting made of Wear-Dated Fibers with StainBlocker. Monsanto launched its largest ever campaign for Wear-Dated Fibers in February 1987 with $8.4 million in measured seven-media spending. Monsanto's campaign.

Monsanto's Wear-Dated Fibers campaign was partly a response to a significant increase in competition among the big four carpet makers, including Monsanto, Allied Corp.'s Allied Fibers division, E.I. du Pont de Nemours & Co. and 3M Co. The four companies collectively have spent up to $80 million in 1987, enlisting such spokesmen as comedian Don Rickles for Allied. DuPont initiated the big consumer advertising push behind carpets when it introduced its StainMaster brand in late 1986.

NutraSweet, the brand name for the aspartame-based sweetener developed by Searle in 1965 and launched in 1981, accounted for 46% of Monsanto's 1987 spending, or $20.4 million, down 17%.

Equal, the aspartame-based low-calorie tabletop sweetener, accounted for Monsanto's second-largest seven-media spending total, with $11 million in 1987 outlays, down 31%.

Aspartame captured more than 80% of the market for artificial sweeteners in 1987. That worldwide market is approaching $1 billion. Monsanto's NutraSweet unit recorded sales of $722 million in 1987, up 2% over 1986. Since 1985, sales of NutraSweet and Equal have grown 128%. Establishing brand preference is critical to the brand's future because the NutraSweet unit's patents on aspartame expire in 1992 in the U.S.

A NutraSweet spokesman said patterns of advertising spending will change as NutraSweet moves beyond the brand awareness stage.

"We've come a long way in established our identity, and now we're aiming to bridge the gap between brand loyalty and brand preference," the spokesman said.

The market for NutraSweet continues to expand rapidly. In June 1988, the FDA approved its use in yogurt, chocolate milk, aseptically-packaged fruit juices, Jell-O ready-to-serve, wine coolers and frozen desserts, and government approval was granted for NutraSweet in France. NutraSweet also petitioned the FDA in 1988 to approve use of an encapsulated form of NutraSweet in baked goods. The sweetener is now used in 1,200 brands worldwide, and in 34 food categories in the U.S. Carbonated beverages are believed to represent about half of the total sales of NutraSweet.

Another important product for the NutraSweet unit is Simplesse, an all-natural fat substitute that could dramatically reduce calories and cholesterol in different types of products, such as ice cream, cheese spreads and mayonnaise. Simplesse was introduced with much fanfare in January 1988, but came under FDA scrutiny in February. NutraSweet now plans to file a petition with FDA to affirm the product as "generally recognized as safe," which could take years.

Monsanto also had significant spending for Roundup and other row crop herbicides in 1987, using a strategy of price cutting to open new international markets. International sales of Monsanto herbicides boosted the Monsanto Agricultural Company's sales 10% in 1987 to $1.18 billion.

Worries about the depressed farm economy in the U.S., and uncertainty about acreage set-aside programs announced in 1986 led to lower levels of media spending. U.S. measured spot TV spending for Roundup fell 33% in 1987 to $1.2 million, according to BAR/LNA. For Lasso herbicide, spot TV spending fell 29% in 1987 to $2.4 million.

Monsanto herbicides received $6 million in measured spending for farm publications in 1987, up 9% over 1986. Farm spending figures supplied by AGRICOM are totals for companies without brand breakouts.

Also in May 1987, the agricultural division selected St. Louis-based Bartels, Carstens & Associates as agency of record, replacing its long-standing relationship with Muller Jordan Weiss, St. Louis.

Joining BC&A were three former Monsanto Agriculture Co. employees, including: Jim Robertson, formerly director marketing-communications, now senior VP; Dave Althaus, formerly marketing manager, now VP-acct super and Steve Barr, formerly manager of marketing communications, now VP-acct super. Also changing jobs was Joe Osborn, former VP-creative group head at Muller Jordan Weiss, who took the same position at BC&A.

MONSANTO CO.
800 N. Lindbergh Blvd.
St. Louis, Mo. 63167
(314) 694-1000

Corporate personnel: David L. Sliney, corp vp-mktg.

Monsanto Agricultural Co.
St. Louis, Mo.

Marketing personnel: Nicholas L. Reding, pres-exec vp; Robert W. Reynolds, vp-N.A. Div; Lee Miller, vp-animal sciences; Jerry L. Neff, dir-row crops, Lasso; Klaus Koch, dir-small grains/specialty; J. Rick Darnaby, dir-industrial/residential; Arnold W. Donald, dir-lawn & garden; Charles S. Crivello, dir-industrial & residential.

Brands/services by agency of record:

Agricultural Co.

Ad agency: Bartels, Carstens & Associates, St. Louis: Donn Carstens, president; Jim Robertson, sr vp, dir-client svcs; Dave Althaus, Steve Barr, vps-acct supers; Joe Osborn, vp-creative group head; Christie Sisler, Lisa Furfine, acct execs.

Monsanto Chemical Co.
St. Louis, Mo.

Marketing personnel: Robert G. Potter, president; David L. Sliney, vp-mktg; Joan Cornwall, dir-mktg comm.

Brands/services by agency of record:

Chemical Co.

Ad agency: Muller Jordan Weiss, St. Louis: Ruth McKinney, sr vp-genl mgr; Scott Spencer, acct exec.

■

Wear-dated fibers

Ad agency: Kerlick, Switzer & Johnson, St. Louis: Michael Switzer, president-acct super; Elizabeth Knehans, J.C. Dillon, acct execs.

Monsanto Electronic Materials Co.
Palo Alto, Calif.

Marketing personnel: Haskell Waddele, vp-commercial mktg.

Brands/services by agency of record:

Electronic Materials Co.

Ad agency: (In-house): Haskell Waddele, vp-commercial mktg.

Fisher Controls International
Clayton, Mo.

Marketing personnel: Claes Hultman, group vp-worldwide sales; Gary Brown, dir-mktg.

Brands/services by agency of record:

Fisher Controls Intl

Ad agency: (In-house): Gary Brown, dir-mktg.

G.D. Searle & Co.

Marketing personnel: Sheldon G. Gilgore M.D., chmn & president-ceo; William I. Greener, sr vp-public affairs; Grant W. Denison Jr., vp-mktg, planning, strategic devel.

Brands/services by agency of record:

G.D. Searle Co.

Ad agency: William Douglas McAdams, New York: Eugene Fine, sr vp-acct super; Denise Stolonski, acct exec.

NutraSweet Co.
Skokie, Ill.

Marketing personnel: Robert Shapiro, chmn & ceo; Lauren S. Williams, president-coo; William Wohlfeil, vp-mktg.

Brands/services by agency of record:

Equal

Ad agency: Ogilvy & Mather, New York: David Warden, sr vp-group dir; Jeff Wilcox, acct exec.

■

NutraSweet

Ad agency: Ogilvy & Mather, Chicago: Ian Miller, sr vp-group dir; Barbara Elmendorf, vp-mgmt super; Jim Mitchel, acct super; Charles Day, acct exec.

RANK
28

Nestle S.A.

Vevey, Switzerland
ADVERTISING: **$ 340.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	25,500	21,900	16.4

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	2,476	1,110	123.0
Business pub	3,685	4,163	(11.5)
Magazine	25,044	21,622	15.8
Newsp supp	1,306	148	784.0
Outdoor	1,119	611	83.3
Network TV	86,607	88,131	(1.7)
Spot TV	48,924	41,018	19.3
Network cable	3,847	3,505	9.8
Network radio	3,620	3,171	14.2
Spot radio	4,198	1,537	173.1
Measured	180,825	165,015	9.6
Unmeasured	160,000	146,000	9.6
Total	340,825	311,015	9.6

Nestle SA expanded its Nestle and Carnation brands in the U.S. to a wide range of new products and line extensions, and, uncharacteristically, created a corporate ad campaign.

The world's largest food company also was at the forefront of one of the most significant and controversial issues facing advertisers and agencies in the late 1980s: agency compensation.

Nestle, which began serious consideration of a worldwide agency fee system in 1986, continued to explore ways to experiment with non-commission agency compensations to involve agencies more deeply in Nestle's total communications efforts.

It asked its major international agencies, including Lintas:Worldwide, McCann-Erickson, Publicis and J. Walter Thompson Co., to submit proposals regarding compensation and new ways to contribute to "totally integrated centralized communications orchestration." Nestle insisted the approach is not a cost-cutting measure. With the removal of commissions, the fee system could be augmented with incentives geared to the success of the brand and based on set criteria such as sales volume or brand share, sources said.

Nestle subsidiary Carnation Co. in May 1987 cut the commission it pays its ad agencies from 15% to 12%-13%. In addition, both Carnation and U.S. unit, Nestle Enterprises, consolidated large portions of their media buying in 1988.

Nestle Foods named J. Walter Thompson USA, New York, to handle its consolidated $18 million spot media buying assignment in a one-year test, affecting four of its other agencies. Three months earlier, Carnation consolidated its network TV buying at Lintas:New York, shifting an estimated $30 million in spending from

Boston's more than the Celtics and the globe.

Boston, it's more than a world-famous basketball team and a single newspaper.

Complete your buy of the Boston metropolitan market with The Patriot Ledger.

Our circulation area, which is immediately south of Boston, is rich in the upwardly mobile professional prospects you expect to reach when you buy Boston.

The Patriot Ledger is Massachusetts' leading evening daily newspaper with 89,804 circulation. And we're leaders in advertising, too - our classified linage is first among New England dailies and our retail linage is first among Mass. dailies. In 1987, we even ran more Monday-Saturday retail and classified linage than The Boston Globe. (We don't publish on Sunday.)

Make the most of Boston. Call us today.

The Patriot Ledger

(617) 786-7100

(617) 786-7092
automatic telecopier

Or call Landon Associates at (617) 337-8562.

Source: ABC Audit 12-31-87
New England Newspaper Association: Linage Report 7-31-88

Dailey & Associates, Los Angeles.

Nestle in early 1988 said it was seriously considering a compensation clause in agency contracts that would require them to pay Nestle certain expenses should it have to find a new agency as a result of merger-related conflicts.

In early 1988, Nestle Enterprises, known for its reticence about publicizing its business and particularly financial matters, ran a 24-page color insert describing the company's operating units—Beech-Nut Nutrition Corp., Hills Bros. Coffee, L.J. Minor Inc. (foodservice), Nestle Foods Corp., Nestle Foods Puerto Rico, Stouffer Corp. and Wine World—in *Forbes*' 500 issue. The $800,000 insert marked the first time the company had done corporate advertising.

Nestle, through Carnation's newly-formed nutritional products division, made a long anticipated move into the U.S. infant formula market with the announcement that, in fall 1988, it will begin marketing Good Start H.A., a hypo-allergenic, whey-based infant formula and Good Nature, a follow-up formula for older babies eating solid food.

Nestle, which will have to battle formidable competition in the $1.6 billion U.S. infant formula market, is counting on the pristine, family-oriented image of its Carnation subsidiary to sidestep the problems associated with Nestle's marketing of formulas in the Third World.

In the late 1970s, Nestle waged a long battle with the World Health Organization over WHO's proposed marketing rules, but agreed to comply with the group's standards in early 1984. Consumer groups had boycotted the company, charging it with misleading uneducated mothers in developing nations.

Nestle, which planned to break with tradition in the U.S. formula industry and advertise the new formulas directly to mothers (consumer advertising is not used by the two leaders in the formula industry), took heat for those plans. The American Academy of Pediatrics opposed the company's plan to use the Carnation logo on an "information campaign," using print ads to alert new mothers to the problems of formula intolerance in their babies. Carnation finally bowed to pressure from the academy and agreed to drop its logo from the ads. It continues to negotiate with the academy for planned media advertising in support of Good Nature.

Nestle markets Good Start H.A. in West Germany, France, Belgium and Switzerland, but has no plans to market either formula in developing countries.

Bristol-Myers and Abbott Laboratories lead the U.S. formula market with 38% and 54% shares, respectively.

Nestle's other U.S. baby products unit, Beech-Nut Nutrition Corp., found itself in hot water in 1987. Beech-Nut pleaded guilty to federal charges that it had sold adulterated and mislabeled apple juice intended for babies and agreed to pay a $2 million fine and $140,000 Food & Drug Administration investigative costs. It also settled a class action suit about the juice for $7.5 million which provided a consumer cash fund and products for certain retailers. Beech-Nut, second runner in baby foods to Gerber Products Co., Fremont, Mich., increased measured ad spending for its baby foods 30% to $4.8 million.

Nestle raced to build a national presence in the fresh prepared-foods business in 1987 with the acquisition of Pasta & Cheese, Long Island City, N.Y. Through Carnation, Nestle repackaged the line of fresh pastas and pasta sauces under the Contadina Fresh brand name and prepared for a mid-1988 national rollout, supported by $20 million to $40 million in advertising. Carnation invested $100 million in the line, including acquisition costs and capital expenditures.

Other early players in the fresh prepared-foods market are Kraft Inc., which is testing a line of refrigerated line of salads, entrees and desserts under the Chillery brand, as well as Delissio All-in-One pizza kits, Di Giornio pasta and sauce dinners, and Marquessa chilled chocolates; General Foods, with its Culinova venture and Ronzoni refrigerated pastas and sauces and Campbell Soup Co., which continues to experiment with its Fresh Chef line.

In frozen foods, Nestle's Stouffer Foods Corp. continued to hold the lead in the $1.5 billion low-calorie entree segment with its Lean Cuisine brand, despite sluggish growth and intense competition from H.J. Heinz Co.'s Weight Watchers brand. The low-calorie industry segment grew 3.5% in sales in 1987, slightly more than the frozen dinner market as a whole. Together, Lean Cuisine and Weight Watchers control about 70% of the segment, with 40% and 30%, respectively.

Stouffer lowered Lean Cuisine's price tag about 10% in 1987 and decreased ad spending 24% to $10.1 million. The brand will face new competition in 1988 and 1989, from Sensible Chef by ConAgra, and from Eating Right, a new low-calorie entry from Kraft's All American Gourmet unit that is known for its Budget Gourmet line. Both Sensible Chef and Eating Right are currently in test.

Spending also decreased for Stouffer's Red Box line, down 50% to $5.4 million. In contrast, spending for the Dinner Supreme line, introduced in 1986, increased 116% to $6.8 million.

Stouffer leads frozen entrees overall, with an estimated 38.5% of the $3.5 billion market. The company in mid-1988 added Tatham-Laird & Kudner to its agency roster, giving the agency what is believed to be significant new product assignments.

Nestle Foods added Nestle Premium Ice Cream Bar to its frozen novelty line, consisting of Nestle Crunch Ice Cream bar and Nestle Quik on a stick, in 1987. It supported its frozen novelties with $3.9 million in media spending, up 143% from 1986.

Carnation increased its stake in the fast-growing $2.7 billion frozen treat segment, repackaging its entire line, including three new products, under the Carnation Ice Cream Treats brand. It followed the $40 million 1987 introduction of Heaven Bars, Heaven Sundaes, Fruit Scoops and Berry Swirl Bars, with Creamy Lites, Cheesecake Bars and Chocolate Malts in 1988.

Nestle, which made an unsuccessful run at Rowntree PLC, one of Britain's biggest confectioners, decreased overall spending for its confection brands in the U.S. Ad spending for Nestle's Morsels dropped 27% to $8.6 million. Measured spending for the company's candy products, including Nestle Crunch, Nestle White, Henri Nestle Premium Chocolates and Chunky, among others, also declined 46% to an estimated $8.2 million. The bulk of that was $6.2 million supporting Nestle Crunch, according to BAR/LNA.

Despite the decrease in spending, Nestle saw sales growth of 35% in its major candy brands in 1987 and held steady in its race with Cadbury for the third-ranking position in chocolates, behind Hershey Co. and M&M/Mars. Ad expenditure for candy brands could increase in 1988 and 1989 as a world cocoa glut drives ingredient prices down and frees up more funds for marketing.

In coffee, Nestle's other staple business, the company's Hill Bros. unit expanded distribution of its namesake brand into the Midwest, and hired its first Hispanic agency, La Agencia de Orci & Asociados, Los Angeles, for MJB coffee. Nestle Foods also jumped on the Colombian bandwagon in 1987, introducing Taster's Choice Colombian Select, in soluble and ground roast versions, with $8.7 million in ad spending—the company's largest expenditure for a single entry. Nestle's overall coffee spending dropped 7.5% to $31 million, despite consumer trends toward less coffee drinking.

Nestle passed Quaker Oats Co. to capture the No. 2 spot in the $5.7 billion pet-food market, despite sales growth of just 1% in 1987 for the industry as a whole. That fact that cats remain the convenience pet of choice benefited Nestle and its Carnation unit, because Carnation is a predominantly cat-food company, as opposed to Quaker's dog-food orientation.

Despite a drop in sales, Carnation's Come 'N Get It, moved into the No. 5 position in dry dog food, up a notch from 1986. Carnation completed national expansion for Grand Gourmet, a premium canned food for larger dogs, by the end of 1987. Grand Gourmet received $5.4 million in ad spending.

Carnation increased spending for premium entries Fancy Feast canned cat food, which received $11.5 million in ad support, and Mighty Dog canned dog food, which got $6.5 million. It virtually

Presenting a market in Michigan where money is well spent.

If you're shopping around for retail sales, don't look any further than Booth, Michigan. We're America's 15th largest market in retail sales. And Detroit papers only reach 11% of this large market. A market whose retail sales have increased 65% more than Detroit's in the last 5 years. We've got top-of-the-line numbers in other markets, too. We're the 16th largest market in automotive sales. We're ranked 13th in furniture and appliance sales, and are number 18 in food sales. And if you're after a great bargain, you don't have to shop around. You get 8 newspapers at a 15% discount with just one call. One order. One bill. To reach the best market to spend your money in, simply call Booth at (313) 540-5600. Represented nationally by Newhouse Newspapers.

newspapers booth

Ann Arbor News • Bay City Times • Flint Journal • Grand Rapids Press • Jackson Citizen Patriot • Kalamazoo Gazette • Muskegon Chronicle • Saginaw News

Source: Survey of Buying Power 7/86. Circulation 86-87.

discontinued ad support for Friskies Buffet canned cat food, which remained the No. 3 brand, behind Heinz' 9-Lives and Mars Inc.'s Kal Kan, but ahead of Fancy Feast. Friskies dry cat food received $5.4 million in ad support.

Carnation in 1987, moved its Fancy Feast assignment, and its Specialty Foods Division (frozen novelties) from Foote, Cone & Belding, to Dailey & Associates in October 1987.

NESTLE SA
353 Case Postale
1800 Vevey
Switzerland

Nestle Food Corp.
100 Manhattanville Rd.
Purchase, N.Y. 10577
(914) 251-3000

Marketing personnel: Blair Gensamer, sr vp-mktg & strategic planning; John D. Burke, vp-mktg svcs.

Brands/services by agency of record:

Taster's Choice
Nestle Premium Ice Cream Bar

Ad agency: HBM/Creamer, Pittsburgh: Eric Fischer, vp.

■

Chambourcy Chilled Desserts
Nestle Crunch Bar
$100,000 Bar,
Bit-O-Honey
Raisinets
Goobers
Nestle Hot Cocoa Mix,
Wispride cheeses

Ad agency: Jordan, McGrath, Case & Taylor, New York: John Taylor, exec vp.

■

Quik milk flavorings
Nescafe

Ad agency: McCann-Erickson, New York: Peter Heinz, sr vp-group dir.

■

Nestea prods
Sunrise Instant Coffee
Nestle Milk Chocolate Bar
Oh Henry
Chunky
Nestle Morsels
Henri Nestle Premium Chocolates
Toll House Chocolate Morsels
New prods
All spot buying

Ad agency: J. Walter Thompson, USA, New York: Steven Dworin, sr vp.

Beech-Nut Nutrition Corp.
Fort Washington, Pa.

Marketing personnel: Joseph Gaeto, vp-mktg.

Brands/services by agency of record:

Beech-Nut Foods

Ad agency: Sherwood & Schneider, New York: Marvin Schneider, chmn & ceo; Lew Sherwood, president.

Carnation Co.
Los Angeles, Calif.

Marketing personnel: Tim Crull, president-ceo; John McMennamin, sr vp-mktg svcs; Anne Fox, media dir; J. Davidson, sr art dir; James R. Richards, promotion/production mgr; Glynn C. Morris, vp-specialty foods div; Stephen Cunliffe, president-Pasta & Cheese; John Harris, vp, genl mgr-instant & evaporated prods div; Ernie Strapazon, genl mgr-nutritional prods div; James Dintaman, sr vp-Contadina/Libby div.

Brands/services by agency of record:

Libby's Juicy Juice
Libby & Kerns Nectars
Libby canned meats
Pumpkin
Salmon
Contadina tomato products
All spot buying

Ad agency: Bloom Cos., Dallas: Mark Bateman, vp-mgmt super.

■

Evaporated milk
Friskies Buffet cat food
Sales promotion
Dairy products
Specialty foods
New prods

Ad agency: Dailey & Associates, Los Angeles: Robert Brownson, exec vp-acct group dir.

■

Bright Eyes
Chef's Blend
Come 'n Get It
Fish Ahoy
Friskies Dry Cat Food
Mighty Dog
Breakfast Bars
Hot Cocoa Mixes
Instant Breakfast
Nonfat Dry Milk
Coffee Mate
Fancy Feast

Ad agency: Lintas:New York: Terry Rosenquist, exec vp-client svcs.

■

Pasta & cheese
Grand Gourmet dog food
Good Start and Good Nature

Ad agency: Ogilvy & Mather, Los Angeles: Roger Wojahn, vp-mgmt super.

Hills Bros.
San Francisco, Calif.

Marketing personnel: Barry Reis, vp-mktg; Tony Adamich, dir mktg.

Brands/services by agency of record:

Hills Bros. and Chase & Sanborn coffees

Ad agency: Cohen/Johnson, Los Angeles: Vicki Rittermal, acct super.

■

MJB prods

Ad agency: Hal Riney & Partners, San Francisco: Karen Wallerich, acct super.

Stouffer Foods Corp.
Solon, Ohio

Marketing personnel: David Jennings, president; Gerald DeCroce, vp-mktg; Dave Alexander, mgr-mktg svcs; Jeffrey Peck, mktg mgr-entrees & side dishes; Paul Devries, new prods mgr.

Brands/services by agency of record:

Lean Cuisine
Entrees/side dishes
Pizza

Ad agency: HBM/Creamer, Pittsburgh: John O'Leary, Richard Grinberg, sr vps.

■

New prods

Ad agency: Tatham-Laird & Kudner, Chicago: Robert Hielscher, sr partner, dir-client svcs.

Stouffer Hotel Co.
Solon, Ohio

Marketing personnel: William Hulett, president; Ronald A. Nykiel, sr vp-mktg; Robert Nance, dir-adv & promo.

Brands/services by agency of record:

Stouffer hotels

Ad agency: Wyse Advertising, Cleveland: Tom O'Toole, Joe Pianecki, acct supers.

Stouffer Restaurant Co.
Solon, Ohio

Marketing personnel: Rick Cassara, vp-mktg.

Brands/services by agency of record:

Stouffer restaurants

Ad agency: Wyse Advertising, Cleveland: Tom O'Toole, acct super.

Wine World
St. Helena, Calif.

Marketing personnel: Mike Moone, president; J.F. Tonjum, vp-sales & mktg.

Brands/services by agency of record:

Wine World

Ad agency: Mojo, San Francisco: John Galbraith, Barbara Frazier, sr vps.

RANK
47

Nissan Motor Co.

Tokyo
ADVERTISING: **$ 181.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	33,950	34,187	(0.7)
Earnings	516	162	218.5

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	22,357	17,627	26.8
Business pub	946	1,248	(24.2)
Magazine	19,361	20,297	(4.6)
Newsp supp	213	34	534.3
Farm pub	0	149	NA
Outdoor	212	1,020	(79.3)
Network TV	46,680	46,266	0.9
Spot TV	43,593	44,426	(1.9)
Network cable	453	592	(23.4)
Network radio	2,735	0	NA
Spot radio	6,890	10,382	(33.6)
Measured	143,438	142,042	1.0
Unmeasured	38,000	38,000	0.0
Total	181,438	180,042	0.8

Nissan Motor Corp. USA, subsidiary of Nissan Motor Co., Tokyo, is seeking a clearer focus for its product line after suffering through another year of diffused regional advertising and continued brand identification problems.

Nissan's "corrective" steps in 1987 and early 1988 have included a change in its primary ad agencies, the selection of another agency for a new luxury car debut and the centralization of regional dealership advertising. Meanwhile, it maintained its ad spending levels of 1986 with 1987 expenditures of $181.4 million.

Sales and earnings in the accompanying box for both fiscal years were converted from yen to dollars at an average annual exchange rate of Y125 = $1.

In a move to gain better coordination of it market strategy, Nissan plans to cut all local ad funding for dealers by Oct. 1 and consolidate the business with its new national agency Chiat/Day, Los Angeles. This could remove Nissan billings from more than 30 agencies handling advertising for 62 Nissan dealer groups nationwide.

Although dealers groups can continue doing business as they choose, Nissan will stop its ad contributions to dealer associations. Those funds will be used by 11 regional general managers for market-by-market ads created by Chiat/Day.

Nissan will spend $60 to $80 million on regional advertising in the 1989 model year. Dealers spent $75 million for advertising in 1987, one-third of it from Nissan.

Nissan corporate goals for the U.S. for the early 1990s is the sale of one million vehicles annually and first place among foreign automakers (both U.S. and foreign production) by the early 1990s.

During 1987, Nissan unit sales were 820,866, up 24.6% from the prior year. Imports were 622,510 of the total, and represented a 13.2% decrease from the prior year. The total for imports and domestic production gave Nissan an 8% share of the U.S. car/truck market, behind Toyota at 9.1%, followed by Honda at 6.1% and Mazda at 3.2%.

Nissan's import total for cars and trucks gave it a 22% share of the import market, behind Toyota's 31.5%, but ahead of Honda, 12.4% and Mazda, 11.6%.

Nissan relies heavily on truck sales, which in 1987 were down 3.08% in the U.S. They fell from 30.7% of all Nissan units sold in the U.S. in 1986 to 26.3% in 1987. Nissan's Smyrna plant accounted for 78,678 of the truck unit sales, or 36.3% of the 216,514 compact trucks sold by Nissan for the year.

The Japan Automobile Manufacturers Assn. reports Nissan's worldwide domestic production in 1987 at 2,159,757 units including—1,750,970 cars and 401,330 trucks along with 7,457 other vehicles—down from 2,235,382 units or 3.3% from 1986. Nissan ranks second among Japanese auto producers, behind Toyota, followed by Mazda, Mitsubishi and Honda.

Squeezed by lower profits and the intense competition among economy models, Nissan plans to launch in fall 1989 a line of upscale luxury cars under the Infiniti nameplate to be supported by a separate U.S. dealer network. Models include a V-8 engine, four-door sedan and a six-cylinder sports car and four-wheel steering. Price: $30,000 to $40,000.

The move into the upscale market makes Nissan the second Japanese automaker to establish a special dealer network for luxury cars, well after Honda's Acura in 1986. Toyota also will begin importing a luxury car line known as Lexus in the 1989 model year.

Nissan expects Infiniti sales to be much smaller than Honda's Acura. Ultimately, annual volume may reach 150,000 units from some 300 dealers, but will not approach the 400,000 annual sales Honda is projecting by 1990. The first wave of 75 Infiniti dealers will begin selling cars in 1990.

Hill, Holliday, Connors, Cosmopulos, the Boston-based ad agency which won the estimated $60 million Infiniti account in early July, will set up a Los Angeles office. The launch will include both coasts. Infiniti is expected to draw $45-$60 million in ad spending in its introductory year.

Nissan studies have shown that since its name change from Datsun in 1984, only 45% of the general public knows the Nissan name. Last spring, after five years and hundreds of millions of ad dollars to build the Nissan name, consumer research revealed that unaided recall of Nissan as an automaker was still 20% lower than Datsun the year before the switch.

This "identity" crisis was quickly addressed by Chiat/Day, Los Angeles, which won the account in August 1987 from William Esty Co.

The new corporate image-building campaign, launched last October by Chiat/Day, was themed "Nissan: Built for the human race," and featured Nissan designers and engineers extolling the virtues of their product and how Nissan cars are built to fit into personal lifestyles.

Although the company appeared pleased with the campaign, some dealers believed it focused too much on image and not enough on sell.

First phase, from October through December, placed emphasis on the Nissan name. Performance, innovation and technology benefits were addressed in the second phase. Phase three ads were product-oriented and featured individual models, particularly on TV and print.

For 1988, Nissan's model lineup consisted mainly of holdovers from the previous year, including the popular Nissan Sentra models. Other holdovers included the Stanza, Pulsar NX, Maxima, 200SX, 300ZX and Stanza Wagon.

Nissan's seven-passenger van, introduced in 1987, accounted for $31 million of Nissan's $143.4 million in measured media expenditures. The new model offers dual air conditioning as standard on the XE and GXE models.

Import sales of the best-selling Sentra, priced at $6,699 for the standard five-speed, two-door sedan, accounted for 121,139 units, down 23.7% from 1986. However, when sales of 119,678 U.S.-built Sentras are included, the resulting 240,817 total makes it No. 1 selling "import" in the U.S. The Sentra received $13.6 million in measured ad spending, down 35% from 1986, according to BAR/LNA.

The 1987 output of Sentras (plus 78,678 pickup trucks) at the Nissan plant in Smyrna has enabled the company to import additional upscale models from Japan, easing the self-imposed restrictions of the Voluntary Restraint Agreement on all Japanese cars.

The Smyrna plant will be expanded within the next few years to build new products, which eventually could be exported to Japan and Europe.

Unit sales of other imported Nissan models in 1987, compared with the previous year, were Maxima 94,092 (112,755 in 1986), Stanza 64,745 (67,804), 300-ZX 33,649 (52,936), Pulsar 62,175 (47,350), 200-SX 30,196 (45,952).

During the year, car ad spending amounted to 60% of total measured media. Nissan compact trucks accounted for more than $33.8 million in measured media spending, the most of any Nissan product, according to BAR/LNA. Sales of small trucks entered a slump in 1987 in the U.S., but while Nissan sales were off modestly, Mazda's totals dropped 21.2% and Toyota's fell 20.9%. Mitsubishi bucked the trend with a 48.2% unit sales boost.

NISSAN MOTOR CORP. U.S.A.
P.O. Box 191
Gardena, Calif. 90247-7635
(213) 532-3111

Corporate personnel: K. Hagiwara, president.

Marketing personnel: Tom Mignanelli, exec vp-operations; Joseph M. Opre, natl adv mgr; John Nystrom, mktg dir, Nissan div; Terry Foutz, natl auto adv mgr; John Rinek, natl truck adv mgr; Mark Grimm, natl merch mgr; Susan Furedi, media planning mgr; Byrne Owens, natl dealer adv mgr, Infiniti Division; Bill Bruce, vp-genl mgr; Dave Hubbard, natl adv mgr.

Brands/services by agency of record:

Nissan

Ad agency: Chiat/Day, Los Angeles: Lee Clow, president-creative dir; Tom Patty, exec vp-acct dir; Steve Goldman, vp-mgmt super, cars; George Hartley, vp-mgmt super, trucks; Tom Cavenaugh, mgmt super, genl svcs; David Butler, sr vp-assoc creative dir; Mas Yamashita, vp-assoc creative dir; Hank Antosz, vp-media dir.

■

Infiniti

Ad agency: Hill, Holliday, Connors, Cosmopulos, Los Angeles: John M. Connors Jr., president-ceo; Dennis Farrington, sr vp-mgmt super; Felice Kincannon, media dir; Charles J. Cushell IV, sr vp-mktg dir.

RANK
66

Noxell Corp.

Baltimore
ADVERTISING: **$ 134.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	489	439	11.5
Earnings	44	37	17.5
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	414	377	9.8
Operating income	72	67	7.9

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	NA	144	NA
Magazine	24,109	22,485	7.2
Outdoor	0	38	NA
Network TV	48,992	37,361	31.1
Spot TV	3,570	2,749	29.9
Network cable	545	1,045	(47.8)
Network radio	0	3	NA
Spot radio	659	1,046	(37.0)
Measured	77,876	64,871	20.0
Unmeasured	57,000	47,000	21.3
Total	134,876	111,871	20.6

Noxell Corp., a Baltimore-based manufacturer of toiletries and household products including Cover Girl, Noxzema and Lestoil, upped its ad budget in 1987 to promote its new Clarion line of cosmetics and to fight off competition in other market segments.

Cover Girl, market share leader in the cosmetics market, maintained its position as the most heavily advertised cosmetic brand during 1987 with Cover Girl models Carol Alt, Christie Brinkley, Jennifer O'Neill and Renee Simonsen carrying the message to the public.

The 1987 sales for Cover Girl continued to pull away from top contender Maybelline from Schering-Plough. Among mass marketed lines of makeup, Cover Girl had

Reach auto paint/tool buyers
COLLISION
magazine enriches readers!
(508) 528-6211

HIRE GOALS.

When you're in search of the best, there can be no compromises. The Forum Personnel Advertising and Marketing Division is committed to uncompromised goals of excellence. Goals higher than most, which help us to provide you with only the most qualified professionals in the business:

• *Advertising* • *Sales Promotion*
• *Account Management* • *Media*
• *Graphic Arts* • *Production* • *Traffic*
• *Marketing* • *Market Research*

For information contact:
Karen Katz, VP/Principal

FORUM
PERSONNEL INC

342 Madison Ave., New York, NY 10017
212-687-4050

21% market share in 1987 vs. 18% for Maybelline. Schering-Plough consolidated Maybelline's $60 million ad account at DDB Needham Worldwide, Chicago, last year as part of its effort to fight off competition from Noxell.

In the liquid foundations line of facial makeup, Noxell posted gains from Replenishing Liquid and from consumer acceptance of its new Extremely Gentle line of fragrance free and hypo-allergenic makeup.

Consumer demand also increased for face powders, a market in which Cover Girl already claims a 50% share. Cover Girl Cheekers, a mini-blush product introduced in 1987, helped the company achieve record sales in the blush category.

Cover Girl Moisture Wear makeup posted growth attributed largely to new packaging graphics, market acceptance of its moisturizing benefits and the strength of the Moisture Wear ad campaign by Lintas:New York.

In response to increased demand for products for sensitive eyes, Cover Girl came out with Extremely Gentle Mascara. Retail sales audits credited Cover Girl with six of the top 10 selling mascaras.

Eye shadow sales also increased with the introduction of eight-kit shadows and a basic strengthening in its single shadow line, Cover Girl Pro-Colors, which was introduced in 1985. Sales for Pro Lining Pencils went up with the introduction of new shades, an upgraded product and aggressive advertising.

Nail enamel took a dip in 1987, following a national trend of weakening nail polish sales. But nail treatment products posted some gains.

Noxell repackaged its Cover Girl lips, and the line continued to increase its hold in the largest color cosmetic category.

Noxell eased off on advertising for Clarion, which rolled out nationally in September 1986. Designed for women with sensitive skin—a group Noxell estimates at half of all women—Clarion included 85 initial products. The national rollout of a line that large is almost unheard of in the industry, according to analyst Ben Peress at the Washington securities firm of Johnston, Lemon.

The Clarion product line, initially backed by $15 million in advertising from Lintas:New York, sold at prices 20% to 30% higher than the Cover Girl line. Clarion includes foundation, lip and eye products. Displays include a self-service computer to assist customers with a color analysis. In 1987, Clarion accounted for roughly $40 million in sales, which was substantially below earlier estimates of $50-$55 million.

Nonetheless, Clarion represents a very successful line for Noxell without cannibalizing sales from Cover Girl. The company plans to cash in on that success by expanding the line to about 150 products by the end of this year. Noxell projects a 20% sales jump from Clarion this year with the new products adding to the bottom line.

Earlier this year, Leo Burnett USA snatched the $20 million Clarion account away from Lintas, which has been a Noxell agency since the late 1940s. Industry estimates place Lintas' Noxell billings as high as $60 million.

Noxell also has increased its pricing for selective products to pass on higher packaging costs. That move could help profitability, but Mr. Peress warned that excessive price hikes could price the product too high for its target market.

In the toiletries market, Noxell has lost some market share to top contenders. It plans to combat those losses by stepping up marketing and putting more emphasis on new product development. In 1987, Noxzema Medicated Skin Cream continued as the top facial cleansing cream in the U.S. It brought out two new antiseptic skin cleansers and rang up unit and dollar gains.

Sales volume was up slightly in the household products division where lead product, Lestoil liquid cleaner, had a slight increase in sales. It was backed with $1.1 million in measured spending, down 16%, according to BAR/LNA.

NOXELL CORP.
11050 York Rd.
Hunt Valley, Md. 21030-2098
(301) 628-7300

Marketing personnel: George L. Bunting Jr., chmn & ceo; Marvin L. Hathaway, president-coo; Eugene H. Levering, sr vp-sales; Peter M. Troup Sr., vp-mktg; Charles J. Busta, vp-mktg, Cover Girl; Michael B. McNamara, vp-mktg, Clarion cosmetics & toiletries; Donald S. Pettit, mktg dir-new prods; Doug J. Gallow, dir-mktg rsch; William B. Harford, dir-household prods; Bruce F. Nelson, exec vp, mgr-Caliente Chili.

Brands/services by agency of record:

Noxell prods
Noxzema skin cream
Cover Girl prods
MoistureWear
New prods

Ad agency: Lintas:New York: F. Stone Roberts, exec vp (Noxell); Sheri Colonel, sr vp-mgmt super (Noxell); Nancy Korda, mgmt super (Noxzema); , Paul Guagliardo, acct exec (Noxzema), Holly Bowen, asst acct exec (Noxzema); Linda Emanuel, vp-acct super (new prods); Jackie Brecher, acct exec (new prods); Dan McLaughlin, vp-acct super (Cover Girl); Rob Scott, acct exec (Cover Girl eyes); Marjorie Quinn, acct exec (Cover Girl lips & nails); Sheila Dailey, vp-acct super (Cover Girl makeup & MoistureWear); Wendy Bell, acct exec (Cover Girl makeup); Angie Crew, acct exec (MoistureWear).

■

Clarion prods

Ad agency: Leo Burnett USA, Chicago: Dan Reid, exec vp; Linda Wolf, sr vp-acct dir; Brad Brinegar, vp-acct super; Eric Happell, sr acct exec (face); Lisa Craig, acct exec (lips & nails); Polly Lee, acct exec (eyes); Andy Moat, asst acct exec (face).

■

Noxzema shave cream
New prods

Ad agency: Campbell-Mithun-Esty, New York: Peyton Sise, vp-mgmt super; Rand Pearsall, vp-acct super; Diane Nuttall, asst acct exec.

■

Lestoil

Ad agency: Seligman, Potterfield & Johns, New York: Rudi Seligman, ceo; Tom Potterfield, president; Rich Ruddock, acct exec.

■

Caliente Chili prods

Ad agency: GSD&M, Austin, Texas: Steve Gurasich, acct super.

RANK
62

Nynex Corp.

New York
ADVERTISING: **$ 142.8** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	12,084	11,342	6.5
Earnings	1,277	1,215	5.1
■ *Division sales*	*1987*	*1986*	*% chg*
Local service	5,686	5,659	0.5
Network access	3,132	2,984	5.0
Toll service	1,334	1,254	6.3
Other	1,932	1,445	33.8

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	19,457	18,614	4.5
Business pub	679	415	63.9
Magazine	4,655	3,425	35.9
Newsp supp	1,520	980	55.1
Outdoor	235	415	(43.5)
Network TV	0	44	NA
Spot TV	33,783	24,796	36.2
Network cable	180	89	101.8
Network radio	177	0	NA
Spot radio	6,112	3,591	70.2
Measured	66,798	52,369	27.6
Unmeasured	76,000	60,000	26.7
Total	142,798	112,369	27.1

Nynex Corp. outlined a strategy in 1987 centered on combining its telecommunications strength with an expanded range of products and services, including communications equipment, computer systems and software.

The strength of its telecommunications operation is apparent in the company's 1987 financial results in which the telephone subsidiaries, New York-based New York Telephone and Boston-based New England Telephone and Telegraph, accounted for 88% of the Nynex's $12.1 billion in operating revenues.

During the past year, Nynex spent $2.3 billion to upgrade networks of New England and New York Telephone, increasing digital access lines to 3.5 million and installing over 195,000 miles of fiber cable.

In measured media, New York Telephone ad dollars in 1987 nearly doubled to $18.3 million from 1986. Residence and business TV campaigns, both themed, "A Call Can Make a Difference," were designed to spur usage and increase revenues. The business campaign centered on call networking to achieve success. The residence portion focused on the emotional reward of a call.

The New York public telephone campaign promotes brand reliability to stimu-

FLAKEYS
FLAKEYS
FLAKEYS

Do you really know who's buying your products?

Get closer to your best customers with May & Speh Direct.
Wouldn't it be great to get acquainted with everyone who buys your brand–name by name, product by product? It may not be easy to implement. But in this "specialty market" era, it's certainly worth it. Especially when you have the marketing support of May & Speh Direct.

Working closely with you, we'll develop a complete, confidential data base system that captures customer information from co-op and solo mailings, telemarketing, mail-in offers and the like. Then we'll enrich it with individual purchasing histories, demographic and census information. And show you how to analyze, segment and refine this valuable data. Enabling you to create profiles identifying your best customers.

So you can instantly access individual buyer information to support your media strategies. Cross-sell products within a line to your best buyers. Obtain detailed geographic data to enhance your sampling efforts. And much more.

We'll also show you other ways to utilize our comprehensive new facility, staffed by over 200 specialists with decades of computing and marketing expertise. For details, call our Marketing Department at 312/964-1501. And get closer to your best customers.

Helping smart marketers market smarter.

May & Speh DIRECT
Direct Marketing Information Services, A Division of May & Speh, Inc.
1501 Opus Place
Downers Grove, Illinois 60515-5713

late usage. The theme is, "Get Street Smart—Nothing's More New York than New York Telephone Public Phones."

Measured spending of $8.25 million was flat at New England Telephone. New England Telephone launched a campaign featuring conflict. The residential series that plays on a father and daughter who haven't talked to each other in two years. The business series focuses on a lost architectural design contract and efforts to get it back. Both series end happily, the conflicts resolved over the phone. The tag line is, "We're the one for you New England, New England Telephone and Telegraph."

New England Telephone residence usage is up 12.9% and business usage has improved 5% through June 1988, said Geraldine O'Brien, director of advertising.

A $15 million umbrella corporate awareness campaign, "The Answer is Nynex," kicked off in November 1987 and will run throughout 1988. The campaign is designed to heighten awareness to the Nynex name, especially outside its northeastern base.

"We needed to raise awareness that we're more than a phone company and Yellow Pages. Nynex owns several software companies. We're in computers with our business centers, and we have credit companies," said Sheila Enwright, staff director-corporate advertising. Nynex Corp. general promotion measured spending increased 74% to $4.7 million in 1987.

Spending for Nynex Information Resources jumped 33% to $8.4 million in 1987 as the division launched a bevy of new products and services. Resources entered new markets in 1987, with directories in northern New Jersey and southern Connecticut. The first specialty directory, Nynex Boaters, was introduced for Massachusetts and Rhode Island. Seven additional maritime advertising directories are planned this year for New York, Florida and California markets. A telemarketing services division was launched offering design of facilities, list management, training and consulting, and in October 1987, the division also introduced Fast Track Digital Directory, the Nynex white pages listings on compact disc.

New companies were added to Nynex Information Solutions group. In February 1987, Solutions acquired BIS Group, London, a software system for banking applications. This April it purchased CAP International, a Marshfield, Mass.-based marketing information company specializing in market research and consulting, and this June reached agreement to acquire the professional services and software products of New Jersey-based AGS Systems.

Nynex Business Information Systems markets business telecommunications systems and office automation products. Spending dropped substantially to $86,000 in 1987, from $2.6 million in 1986. Nynex Business Centers, with 80 outlets across the U.S., is second only to Businessland, with 94, in office automation retail centers, said StoreBoard Inc., a Dallas-based market research company for the computer industry. But business is believed to be down.

"I'm not convinced retail stores amount to anything for Nynex. Their basic business is pretty strong; growth is there in the long term," said Jack Grubman, analyst, PaineWebber, New York. "Overall, Nynex earnings have been slightly below expectation. Their overall core business, the telephone business, has been strong. That's offset by revenue problems in their unregulated businesses," he added.

Mr. Grubman is opposed to diversification for the Baby Bells, believing growth into areas that are a natural extension of the telephone business—cellular, cable TV—is the way to go. "Regional Bell operating companies run the risk (of going) from a well-managed telephone company to a mismanaged conglomerate," he said.

Nynex is already into cellular as its Mobile Communications division operates cellular systems in markets in New York, New Jersey, Massachusetts and Rhode Island. It will enter New Hampshire and will construct 40 new cells this year.

Judge Harold Green, who oversaw the breakup of AT&T and rules in such matters, will likely review the cable entry question. He did allow the regional Bells to get into transmission of data, although they could not create their own. That decision opens the door for videotex and other transmission.

"Nynex's outlook is good for its core business. The New York-Boston corridor is chock full of information intensive businesses that use telecommunications to a large degree . . . it is very fertile ground. The regulatory environment is one of the more favorable ones. But the management of Nynex has to prove they can be more innovative, like Bell Atlantic, in utilizing their network," Mr. Grubman said.

NYNEX CORP.
335 Madison Ave.
New York, N.Y. 10017
(212) 370-7400
NYNEX CORP.
1113 West Chester Ave.
White Plains, N.Y. 10604
(914) 644-6000

Corporate personnel: James Hennessy, exec vp; Ivan Seidenberg, sr vp-external affairs; Paul Goetz, vp-corp mktg; Emery Westfall, corp dir-external relations.

Brands/services by agency of record:

Corp adv

Ad agency: Young & Rubicam, New York: Robert Gleckler, mgmt super; Terry Pranses, acct super; Bob Mangone, acct exec.

New York Telephone
New York

Marketing personnel: Theodore Federici, vp-external affairs; Michael Clendenin, mng dir-external affairs; Louis Kruh, dir-adv.

Brands/services by agency of record:

Public telephone

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Gary Andrews, sr vp-dir-accts; Rob Erlichman, asst acct exec.

■

Public telephone

Ad agency: Bozell Direct, New York: Tim Fenton, president; J.B. Harrison, acct super; Howard Fishman, acct exec.

■

Direct mail

Ad agency: Chapman Stone & Adler, New York: Rosemary O'Brien, vp-mgmt super; Usha Krishnan, acct super; Lorraine Salta, sr acct exec.

■

Hispanic mkts

Ad agency: Conill Advertising, New York: Carlos Rossi, president; Marisol Estay, acct exec.

■

Direct mail

Various programs

Ad agency: Grey Direct, New York: Jim Battin, vp-acct group mgr; Margaret Myhan, acct super.

■

Business & residential adv

Ad agency: Young & Rubicam, New York: Larry Shapiro, vp-group dir; Richard Bodge, mgmt super; John Morris, acct super-residence usage; margaret McKinley, acct super-business prods & svcs; Julie Butkiewicz, acct exec-business prods & svcs; Hugh Nesbitt, acct exec-residence usage.

New England Telephone
Boston

Marketing personnel: James Crain, vp-external affairs; Albert Troia, mng dir-external affairs.

Brands/services by agency of record:

Business & residential adv

Ad agency: Harold Cabot & Co., Boston: William H. Monaghan, president; Carolyn Smith, vp-mgmt super; Arthur Sweetser, acct super; Peter Hathaway, Natalie Cox, acct execs.

■

Residential direct mail

Ad agency: Cabot Direct, Boston: Suzanne Delice, vp-mgmt super.

■

Genl & business direct mail

Ad agency: Dickinson Direct Response, Quincy, Mass.: Reid Dickinson, president.

■

Business direct mail

Ad agency: Marcoa DR Group, Boston: George Zahke, chmn.

Nynex Information Resources Co.
New York

Marketing personnel: Harold Dakin, vp-business devel; Bernie Bloomfield, vp-mktg & staff.

Brands/services by agency of record:

Yellow Pages

Ad agency: Chiat/Day, New York: Mary Maroun, mgmt super; Lorraine Arado, acct exec.

■

Hispanic mkts

Ad agency: Conill Advertising, New York: Carlos Rossi, president; Marisol Estay, acct exec.

Nynex Business Information Systems
New York

Marketing personnel: Doug Martin, vp-office systems; Tom Philie, asst vp-mktg.

Nynex Business Centers
Atlanta, Ga.

Marketing personnel: James N. Turner, sr vp; Dawn Barrs-Elkourie, mgr-adv.

Brands/services by agency of record:

Nynex Business Centers
Nynex Business Information Systems

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston: Scott Cheyne, sr vp-group dir; Beth Broderson, vp-mgmt super; Robert O'Leary, acct exec.

Nynex Mobile Communications
Pearl River, New York

Marketing personnel: Nancy Anderson, vp-mktg & technology.

Brands/services by agency of record:

Collaterals

Ad agency: Lohmeyer, Simpson Communications, Morristown, N.J.: Richard Ricciardi, exec vp; Valeria Moody, acct exec.

■

Boston Cellular Service

Ad agency: Rizzo Simons & Cohn, Boston: Philip Mathews, acct super.

RANK
18

J.C. Penney Co.

New York
ADVERTISING: **$ 513.5** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	15,332	14,740	4.0
Earnings	608	478	27.2
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	14,771	14,117	4.6
Operating income	451	445	1.3
■ *Division sales*	*1987*	*1986*	*% chg*
J.C. Penney	13,428	12,888	4.2
Catalogue	2,585	2,332	10.8
Drug stores	791	727	8.8
Belgian operations	561	623	(10.0)

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Business pub	4	3	12.1
Magazine	9,044	8,487	6.6
Newsp supp	1,208	906	33.3
Outdoor	31	22	39.9
Network TV	48,507	46,867	3.5
Spot TV	12,951	14,929	(13.2)
Network cable	2,847	1,616	76.1
Network radio	2,612	1,218	114.4
Spot radio	292	875	(66.6)
Measured	77,497	74,924	3.4
Unmeasured	436,000	421,000	3.6
Total	513,497	495,924	3.5

For retailing giant J.C. Penney Co. Inc., mid-1987 to mid-1988 was the year of the move.

The department store operator in spring 1987 announced it would relocate its corporate headquarters from New York City to Plano, Texas, a Dallas suburb—a move the company believes will save it between $60 million and $70 million annually from reduced overhead and travel expenses in a more centrally-located office.

And while Penney curtailed some of its projects during the move transition, it maintained its ad spending level. TV advertising claimed the largest measured total of $61.5 million, about the same for both years, with 80% of that in network TV, according to BAR/LNA.

The bulk of its budget continues to be devoted to local ROP newspaper advertising and to preprints. Preprints are counted as unmeasured advertising in this report. They traditionally account for the majority of the mega ad budgets of the major retailers. Penney's in-house ad department puts out a 16-to 48-page insert weekly.

Penney's move to Texas was one more step in a strategic realignment for Penney begun in 1983 when the company announced it would discontinue some of its traditional hard-good lines like paint and appliance to focus on clothing and home furnishings.

The company has continued to narrow its focus this year by announcing it would drop some of its smaller departments like photography and consumer electronics. At its annual meeting in May, the company said it has set aside nearly $60 million to renovate the 4.4 million sq. ft. of space freed up in its stores after closing these departments.

The move also helped Penney streamline its staff. When the move was announced, it had about 2,200 managers in New York City. When the move was completed, it had transferred 1,200 to the Dallas area, some of whom were personnel from regional operations who had spent time in New York training before moving to Texas. Penney hired 800 managers locally and eliminated 200 positions which it said were no longer needed because of improved technologies or streamlined operations.

The changes in personnel extended to the advertising department. Ad manager Ed Hayward said he hired about 60 people in Dallas to fill out his 80-member in-house staff, which was trimmed from 140 in New York City. He said because of the company's reorganization into fewer lines and a push for increased productivity, he has been able to operate with a leaner staff.

When Penney announced its move, its advertising agency N W Ayer, New York, announced it would open a Dallas office. Ayer has set up a full-service office and hired professionals locally to manage the office and work with creative efforts. The account is being handled by both Ayer offices.

While analysts said it's too early to judge the effects of replacing a sizable portion of the retailer's managers, some observers see the changes as reinforcing its realignment.

John Plummer, a partner in Ward Howell International, a New York executive recruiting firm that specializes in retail clients, said he believes Penney's replacement of about half of its management staff will strengthen the overall team. "They are bringing people in who are looking more toward the way the market is today than it was yesterday."

Edward Johnson, analyst with Johnson Redbook in New York, believes it will take months before actions by new managers affect company operations. "When you replace that many people, you get rid of a lot of deadwood, but you discombobulate operations, particularly in the buying department," he said. "Changes in buying won't show up for months."

Thus far, the move does not appear to be having a dramatic effect on the company's bottom line although its sales and net income for the second quarter of 1988 were down, a trend common in the sluggish retail environment.

For the three months ended July 30, Penney reported net income of $81 million on sales of $3.2 billion compared with net income of $103 million on sales of $3.4 billion for the same quarter in 1987. However, the company showed an increase in net income for the first half of 1988, up from $157 million in 1987 to $212 million this year.

While the move has created some short-term disruptions for the company, longer-term or long-planned programs continued. Last fall Penney kicked off a test of Telaction, its home shopping system, in the Chicago area. Penney began planning the project in late 1985 and has spent more than $60 million to get the interactive shopping service started, which cable subscribers can access by using a push-button telephone. If the test is successful, it will expand the offering to other markets.

The company also continued its series of in-store special events emphasizing the offerings of a specific country. In early 1988, it was India. The effort, dubbed "Expedition India," was backed with a $12 million, two-week ad campaign including a 30-second spot produced by Ayer.

J.C. PENNEY CO.
1301 Avenue of the Americas
42nd Floor
New York, N.Y. 10019
(212) 957-4321

Marketing personnel: W. Barger Tygart, exec vp, dir-merch; Ronald Shuler, dir-mktg comm; Joe Chicoski, mgr-media svcs; Darryl Erickson, sales plans mgr; Edward Hayward, adv mgr; Kay Baker, mgr-publicity, special events; Paul Clark, mgr-corp special events; Dave Nafziger, dir-vis merch; Gerald Testor, mgr-presentation; Charles Lipscomb, dir-pers merch; Robert Burke, controller-merch.

Women's Division

Marketing personnel: John A. McConville, president; Kenneth T. Russo, div vp, dir-mktg.

Men's Division

Marketing personnel: Thomas D. Hutchens, president; J. Raymond Pierce, div vp, dir-mktg.

Children's Division

Marketing personnel: James L. Hailey, president; Andrew Cumming, div vp, dir-mktg.

Home and Leisure Division

Marketing personnel: James J. Kennedy, president; J. Thomas Arthur, div vp, dir-mktg.

Brands/services by agency of record:

J.C. Penney stores & prods

Ad agency: N W Ayer, New York: Chuck Meding, sr vp-exec acct dir; Agi Clark, exec dir-creative svcs; Christina Anderegg, sr vp-mgmt super; Jeanne Chenard, sr vp-group creative dir; Meryl Nierman, vp-acct super.

RANK
6

PepsiCo Inc.

Purchase, N.Y.
ADVERTISING: **$ 704.0** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	11,485	9,110	26.1
Earnings	595	458	29.9
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	9,515	7,884	20.7
Operating income	817	628	30.1
■ *Division sales*	*1987*	*1986*	*% chg*
Soft drinks	4,099	3,450	18.8

LAPEL PINS
Widen the visibility of your company. Your design custom-molded into 3D lapel pins . . . richly decorated in full color. Clutch or pin-back. Also available as golf marker. 3¢ to 22¢ (minimum 1,000). Free samples. Distributors welcomed.
KNOBBY KRAFTERS Dept. 202
P.O. Box 300 Attleboro, MA 02703
(508) 222-7272

Reach Pennsylvania's Capital Market

The Patriot-News and Sunday Patriot-News reach Pennsylvania's most important decision-makers because Harrisburg is the Keystone State's capital market. ■ The captains of government (four military bases as well as state government) call the Harrisburg Patriot-News their hometown paper.
■ 106,097 Daily ■ 168,709 Sunday*

phone (717) 255-8203 or (212) 697-8020 for details

***March 1988 Publisher's Statement**

Harrisburg Patriot-News
Represented by Newhouse Newspapers

■ Division sales	1987	1986	% chg
Snack foods	3.202	3.018	6.1
Restaurants	4.139	2.642	56.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8.178	8.806	(7.1)
Business pub	187	399	(53.3)
Magazine	936	1.082	(13.5)
Newsp supp	32	65	(50.6)
Outdoor	4.518	3.213	40.6
Network TV	140.342	115.128	21.9
Spot TV	271.069	256.521	5.7
Network cable	3.742	5.107	(26.7)
Network radio	5.203	874	495.0
Spot radio	19.766	22.342	(11.5)
Measured	453.973	413.538	9.8
Unmeasured	250.000	228.000	9.6
Total	703.973	641.538	9.7

PepsiCo's continued diversification into the fast-food business has replaced soft drinks as its biggest category by both sales and advertising in 1987, although on the creative side, the ad beat is definitely with Pepsi because the year found Michael Jackson pushing the cola to his big hit, "Bad."

Mr. Jackson received a reported $10 million-plus for his part in the BBDO Worldwide commercials that aired October. Then this year, Pepsi added heavyweight boxing champion Michael Tyson to plug Diet Pepsi in an attempt to shore up its fast-eroding share in that market segment.

Total sales for PepsiCo rose by more than 26% in 1987 and those increases came without adding major new divisions, as the company had in 1986 when it acquired Kentucky Fried Chicken and Seven-Up International.

For the diversifying PepsiCo, soft drinks now account for only about 36% of its business and have been eclipsed in total sales by the restaurant segment which brought in about $85 million more than soft drinks during 1987. Restaurants also accounted for 59% of PepsiCo's total measured ad spending, according to BAR/LNA, which monitors seven national media.

PepsiCo's tapping of big-time presenters has shown it to be an aggressive marketer against old nemesis Coca-Cola. But, on the production side of its soft drink business, it has proved more reactive. Coca-Cola has been rapidly buying up independent soft-drink bottlers and spinning off its bottling operation into a separate but controlled company thereby gaining greater control of its reproduction and distribution operation.

Pepsi has followed though in more modest fashion. The company thwarted IC Industries' attempt to buy outright RKO Enterprises bottling operation from parent GenCorp. Earlier this year, PepsiCo and IC solved the dispute by agreeing to form a joint venture by merging into one unit, the RKO unit, IC's Pepsi-Cola General Bottlers Inc. and two other PepsiCo-owned bottlers in the Midwest. Pepsi took a 20% interest in the venture, which became the largest Pepsi bottling operation not controlled by PepsiCo.

This June the company agreed to pay $705 million for the soft drink bottling operations of Grand Metropolitan Inc., the third largest independent Pepsi bottler in the U.S., accounting for about 3.6% of Pepsi's total sales.

Overall, Pepsi continues to chase Coke for soft drink market share. While both companies continue to make small advances in total market share at the expense of their smaller competitors, PepsiCo has been unable to close the gap on Coca-Cola, according to *Beverage Industry*, a trade journal.

The magazine reports that Coca-Cola brands claimed a 40% share of the soft-drink market in 1987 while various PepsiCo brands accounted for 30.9% of total sales. Both figures represented a gain of about two-tenths of a point over the previous year.

But in the diet soft drink market, Pepsi lost ground to Coke. While various Coke diet brands grew from 42.4% in 1986 to 43.9% of that market segment in 1987, Pepsi's share of the market slipped from 31% to 27.1%.

Beverage Industry editor Gary Hemphill noted that the "Cola wars" appear to have shifted to the sugarless arena. "Traditionally, the first quarter of the year is considered the big period of diet soft drink marketing because people are trying to get rid of weight they put on during the holidays. This year, that just spilled over into the summer."

The only category in which Pepsi holds a lead is in the juice-added market where Slice and Diet Slice are both segment leaders. But even that market is a troubled one, Pepsi officials have admitted. In November, the company transferred its $30 million account for Slice from J. Walter Thompson USA to BBDO.

At the time, Pepsi had seen the Slice slice of the total soft-drink market fall from 3.8% in 1986 to 2.7%. The moves came at a time when the entire juice-added market was in decline. Juice-added drinks accounted for 4.9% of the total 1986 soft-drink market and then declined to 4.5% last year. The 1988 figures are expected to put the share even lower.

The Slice move was not the only major advertising switch for PepsiCo. BBDO also won control of the $25 million Pizza Hut account from both Chiat/Day, Los Angeles, which handled creative, and DeWitt Media, New York, which handled media buying.

While snack food revenues increased 6% at Frito-Lay, PepsiCo's big Dallas-based unit, Frito-Lay held onto its market supremacy with a 51% share of estimated $6 billion snack food market. Four Frito-Lay brands were among the top 10 sellers among all dry food brands in supermarkets.

The trio of fast food chains—Kentucky Fried Chicken, Pizza Hut and Taco Bell—gave PepsiCo the world's largest restaurant system with 16,500 stores. Symbolically, for the world's most populated market, KFC opened the world's largest fast-food restaurant in Beijing. By itself, the overall KFC operation contributed $4.1 billion to PepsiCo's total $11.5 billion in worldwide sales.

It also was a year of significant international expansion for PepsiCo, from the agreement with the Soviet Union to open a Pizza Hut restaurant in Moscow to a vastly increased marketing program for Pepsi in Brazil, the world's third largest soft-drink market. Worldwide, Pepsi reported spending $840 million in advertising during 1987, up 19.7 from 1986.

Brand Pepsi was given some $60 million of U.S. measured spending. While the Messrs. Jackson and Tyson ads were the high profile elements in the PepsiCo advertising strategy, the company also increased ad spending for Kentucky Fried Chicken through J. Walter Thompson. KFC received the highest measured expenditure of any PepsiCo brand—$109 million, some 63% in network TV and 35% in spot TV, according to BAR/LNA.

PepsiCo is the nation's largest advertiser on spot TV where it funnels most of its advertising for the Pepsi brand. By contrast, Coca-Cola spending for the Coke brand is divided equally between network and spot TV.

PEPSICO INC.
Anderson Hill Rd.
Purchase, N.Y. 10577
(914) 253-2000

Corporate personnel: Roger A. Enrico, president-ceo; Alan Pattasch, sr vp-worldwide creative.

Pepsi-Cola U.S.A.

Corporate personnel: Craig E. Weatherup, president-coo; Michael Lorelli, exec vp-mktg & natl sales; John M. Cranor III, president, Pepsi-Cola East; Ronald W. Tidmore, president, Pepsi-Cola South; Christopher A. Sinclair, president, Pepsi-Cola Central; Christopher M. Hallenbeck, president, Pepsi-Cola West; Robert French, vice president, sales & mktg staff svcs.

Marketing personnel: Kim Kelley, sr vp-sales & channel mktg; Judy Fearing, vp-colas; Donald Uzzi, vp-flavors; Earl Shirley, vp-strategic mkt devel; Frank Rupp, vp-graphic arts; John Moorhead, vp-mktg svcs; Rick Rock, vp-media.

Brands/services by agency of record:

Pepsi Cola
Diet Pepsi
Slice
Mountain Dew
Packaging & promo

Ad agency: BBDO, New York: William Katz, sr vp-mgmt super; Andy Russem, Jeff Mordos, Evelyn Owen, acct supers.

■

Domestic Black adv

Ad agency: Lockhart & Pettus, New York: Keith E. Lockhart, president; Ron D. Harris, sr vp, dir-client svcs; Monica Hudson, asst acct exec.

■

Mug root beer

Ad agency: Lois Pitts Gershon Pon/GGK, New York: Mark Rothman, mgmt super; Andy Brief, acct super.

■

Domestic Hispanic adv

For advertising [illegible] please call:
[illegible]
California: (213) 450-6660
Chicago: (312) 559-0780
New York City: (212) [illegible]
New York State: (914) [illegible]
SATELLITE ORBIT
THE MAGAZINE OF THE NEW TELEVISION
Satellite ORBIT is a CommTek Publication
Source: SMM — Simulation, 1986

Ad agency: Siboney Advertising, New York: Carla Trum, vp-acct super.

■

Pepsi Cola Co.-
fountain beverages
regional mktg & adv

Ad agency: Tracy-Locke, Dallas: Mike Rawlings, exec vp, Mark Lamperski, Bruce Orr, mgmt supers.

■

Ice Mountain bottled water

Ad agency: Waring & LaRosa, New York: Richard Upson, sr vp-acct mgr.

RANK
46

Pfizer Inc.

New York
ADVERTISING **$ 182.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	4,920	4,476	9.9
Earnings	690	660	4.5
■ U.S.	**1987**	**1986**	**% chg**
Sales	2,651	2,483	6.8
Operating income	635	684	(7.2)
■ Division sales	**1987**	**1986**	**% chg**
Health care	3,118	3,878	(19.6)
Agriculture	519	492	5.5
Specialty chemical	514	416	23.6
Materials science	374	327	14.4
Consumer	396	365	8.5

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	749	225	232.9
Business pub	3,165	3,294	(3.9)
Magazine	21,287	20,922	1.7
Newsp supp	1,073	75	1,331.2
Farm pub	1,558	1,067	46.0
Outdoor	22	2	1,243.8
Network TV	43,412	41,548	4.5
Spot TV	1,493	1,258	18.7
Network cable	301	296	1.8
Measured	73,059	68,686	6.4
Unmeasured	109,000	103,000	5.8
Total	182,059	171,686	6.0

Although Pfizer Inc. continues to put its muscle behind its lucrative pharmaceuticals division, it unveiled several new consumer products in 1987 to help drive up sales volume by 9% to $4.9 billion in fiscal 1987.

Slow growth in Pfizer's traditionally most profitable sector, pharmaceuticals, sapped profitability. Worldwide net income increased only 4.5%, far behind the 13.8% gain produced in 1986. U.S. operating profits declined 7.7%.

WANTED:
National Advertisers
for unique publication reaching
3 million pay TV homes monthly
Serious inquiries only
Contact: Steve Goldmintz 516/665-8800
Premium Channels Publishing Company, Inc.

The two consumer products division, Leeming/Pacquin and Coty, accounted for sales of $396 million, up 8.5%. The division funneled heavy advertising behind the introduction of Equalactin, an OTC remedy for both diarrhea and constipation launched in mid-1987. Measured ad spending came to $6 million.

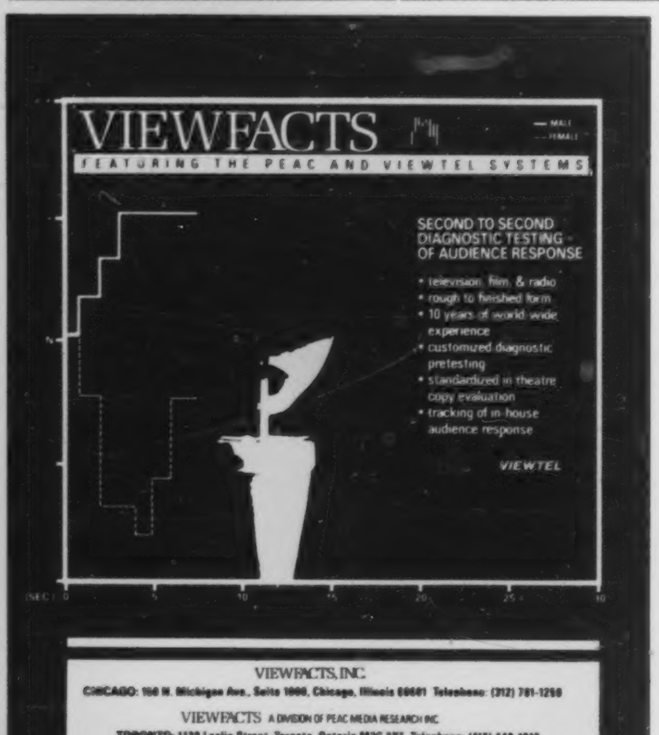
The major expenditure was a TV campaign featuring a tortoise and hare to depict the two ends of the extreme treated by the product. In-house agency Adforce handles the account.

Equalactin specifically acts to restore the bowel's normal water balance. Pfizer estimates more than 20 million people in the U.S. suffer from this problem. Retailers report that Equalactin, which has no direct rival, has done very well in the estimated $700 million laxative/anti-diarrhea category. During calendar 1987, its manufacturers sales reached $1 million, according to senior consultant Jim Saberton of Charles Kline & Co., Fairfield, N.J. "That appears small because the product was rolled out mid-year and did not have 'full' distribution until year end. "We are expecting it to do quite well in 1988," he said. Although Equalactin treats both constipation and diarrhea, it is tracked along with anti-diarrhea products giving it over a 2% share of the category, according to Mr. Saberton, who added that Johnson & Johnson's McNeil division's, Imodium A-D, newly-approved OTC remedy will be stiff competition for other anti-diarrhea products.

Ben-Gay and Barbasol were moved from McCaffrey & McCall to Ally & Gargano during the year in an effort to add new life to mature products. According to a company spokesman, the company wanted new creative, especially for Ben-Gay. The once dormant sore-muscle reliever category has been undergoing renewed growth and Leeming/Pacquin wanted to capitalize on it, he said. Measured spending also declined 20.3% to $5.5 million in 1987. Marketing thrust continues to address arthritis sufferers and consumers with sports-related aches for Ben-Gay, which holds a 40% share of the medicated skin product and liniment market, well ahead of No. 2 Thompson Medical Co.'s Aspercreme at 20%.

Visine, whose measured spending dipped 9.8% to $12 million, still leads the market although it faces stiff competition from Schering-Plough's Ocuclear, a new contender in the eye-drop business, and Abbott Lab's Murine.

Even competition featuring technological breakthroughs cannot seem to put a dent in Barbasol's strength in the shave cream market. It commands about a 20% share of the $300 million market, and that without much measured ad spending. Barbasol got only $1.2 million in measured spending, down 37%. A gel form is in the planning stages, sources report.



VIEWFACTS
FEATURING THE PEAC AND VIEWTEL SYSTEMS
MALE
FEMALE
SECOND TO SECOND DIAGNOSTIC TESTING OF AUDIENCE RESPONSE
• television, film, & radio
• rough to finished form
• 10 years of world wide experience
• customized diagnostic pretesting
• standardized in theatre copy evaluation
• tracking of in-house audience response
VIEWTEL
(SEC) 0
5
10
15
20
25
30
VIEWFACTS, INC.
CHICAGO: 150 N. Michigan Ave., Suite 1000, Chicago, Illinois 60601 Telephone: (312) 781-1250
VIEWFACTS A DIVISION OF PEAC MEDIA RESEARCH INC.
TORONTO: 1120 Leslie Street, Toronto, Ontario M3C 2K5 Telephone: (416) 449-1012

The Leeming/Pacquin division got a new category with the acquisition of Plax, an anti-plaque dental rinse which came with Pfizer's buyout of Oral Research Laboratories Inc. Although Plax controls less than 5% of the total market, it has caused category leaders like Colgate-Palmolive (Colgate toothpaste) and Procter & Gamble (Crest) to delve deeper into the concept of end-benefits, retailers explain.

Pfizer's Coty unit remains the sales leader in mass fragrances at most leading drug chains. The $949 million men's fragrance category is lead by Coty's Stetson with an 8.5% share, according to a leading warehouse tracking service. That's up from only 4.8% just four years ago and it outpaces perennial leader, Shulton's Old Spice with an 8.3% share. "They captured a spirit and they've stood by it and made it a best seller," observes Allan G. Mottus, an industry consultant.

Measured spending behind Stetson rose to $6.6 million, up [illegible]% from 1986. A new men's fragrance called Iron debuted during 1987, backed by a $5 million budget. Retailers say Iron has been a solid performer, but not as dynamic as Stetson. Stetson, Coty's Men's Musk and Iron produce sales of $65 million. Coty backed off the musk classification in 1987, to emphasize its non-musk scents. Spending against men's musk declined from $2.1 million in 1986 to $947,000.

But this year, Coty is rolling out a novelty musk scent called Mexicali Musk, a tequila-like bottle featuring a plastic worm inside. The idea, according to a company spokesman, is to take advantage of the nation's love of Mexican beer and foods.

Lady Stetson has been a big item for mass retailers and takes honors as one of the top three sellers in mass outlets Coty plunked down over $8.3 million to put it there during 1987. The company said sales improved by more than 73% since its launch in 1986. Exclamation, launched this year, is an upscale mass fragrance set off in chic black and white packaging. Agency for the $5 million budget is Ketchum/Hicks & Greist. Pfizer also acquired Sand & Sable fragrance in 1987 and expanded the brand's market behond the South where it is better known.

Coty put spending behind its Overnight Success Cream, a product ripe for the booming mass skincare market. Measured spending totaled over $2.3 million.

The success of the consumer products division in 1987 is just icing for Pfizer. The real gem is its healthcare division which has continually produced breakthrough drugs. Sales of $3.1 billion in this division account for 63% of net sales.

Most of its new pharmaceuticals are promoted directly to physicians and therefore have no measured spending. Pfizer spends millions of dollars in staffing a detail force to physicians as well as sampling efforts. The bevy of items accounts for a climb in unmeasured spending.

Pfizer also has been using some consumer advertising for its ethical pharmaceutical since 1986. Diabinese, an oral hypogycemic drug for advertising to consumers in 1986, received $163,000 in measured spending in 1987, up from $79,000. Measured spending for Pfizer's general quality-of-life image campaign was $2.6 million.

Although several Pfizer pharmaceuticals had a rough year, industry analysts predict a major turnaround in 1988. "Feldene, the largest-selling anti-inflammatory, is on the road to recovery," said Joseph P. Riccardo of Bear Stearns, New York. Feldene's sales should hit $600 million in 1988, an increase of $76 million, according to Mr. Riccardo. He blames Pfizer's lackluster performance on a mature product line that will shortly be corrected by new products in the pipeline.

In specialty chemicals, two products currently awaiting FDA approval are chymosin, for use in cheese-making, and alitame, a high-intensity sweetener. Pfizer filed for approval of chymosin, the first for a food using recombinant DNA technology. Alitame is 2,000 times sweeter than sugar and has higher heat stability. This allows it to be used in baking.

PFIZER INC.
235 E. 42nd St.
New York, N.Y. 10017
(212) 573-2323

Corporate personnel: Edmund T. Pratt Jr., chmn-ceo; Gerald D. Laubach PhD., president.

Corporate media buying: Adforce Inc., New York: Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

Pfizer Agricultural Products
New York

Corporate personnel: M.W. Roche, president.; W.P. Crawford, exec vp.

Marketing personnel: R.B. Behrenhausen, vp-mktg & devel; G.H. Levy, C.E. Lofgren, P.O. Wilder, dirs-mktg & business devel.

U.S. Agriculture Business
New York

Marketing personnel: F.G. Klein, mktg mgr-rsch; E.C. Iannazz , W.C. Wehr, adv mgrs; D.M. Perusse, vp-sales; R.N. Fountain, vp-mktg; R.E. Dreikorn, M.A. Lederman, S.V. Walker, mktg mgrs.

Brands/services by agency of record:

Agricultural prods

Ad agency: Rumrill Hoyt, Rochester, N.Y.: Helen Hutchings, group mgr; Jim Baxter, acct super.

Pfizer Consumer Products
New York

Corporate personnel: J.F. Harmon, president.

Leeming/Pacquin Division
New York

Marketing personnel: J.F. Anderson, sr vp; R.L. Unger, vp-mktg; T.F. Coughlin, vp-sales; H.K. Gray, vp-purchasing & packaging devel.

Brands/services by agency of record:

Unisom

Avrett, Free & Ginsberg, New York: Don Bandman, exec vp; Marlene Wheeler, acct super.

■

Visine
Visone A.C.
Rid
Bonine

Ad agency: Backer Spielvogel Bates Worldwide, New York: Lee Hines, exec vp; Zealie Van Raalte, acct super.

■

Ben Gay
Barbasol

Ad agency: Ally & Gargano, New York: Jim Feeney, exec vp; Pat Prozzi, vp-acct dir.

■

New prods

Ad agency: Smith/Greenland, New York: Bert Rosenberg, exec vp-acct super.

■

Equalactin

Ad agency: Adforce Inc., New York: Robert J. Geller, president.

Coty Division
New York

Marketing personnel: J.T. Markowski, vp-mktg; J.L. Abernathy, sr vp-sales; J. Webster, vp-sales.

Brands/services by agency of record:

Lady Stetson
Iron
Overnight Success
Exclamation cosmetics

Ad agency: Ketchum/Hicks & Greist, New York: Josef Schreick, vp-acct super; Tim Whiting, acct exec.

■

Emeraude
Stetson

Ad agency: Warwick Advertising, New York: Madeline Lewis Smokler, acct super; Mary Nugent, acct exec.

■

Mexicali Musk

Ad agency: Beber, Silverstein & Partners, Miami: George Klas, vp-acct super; Jennifer Beber, acct exec; Joe Perz, creative dir.

Pfizer Chemical Products
New York

Corporate personnel: D. E. Kolowsky, president; D.F. Farley, exec vp.

Marketing personnel: P.J. Regan, vp-operations; W.D. Benfer, vp-U.S. sales; F.P. Chapman, vp-field operations; Vincent DeGennaro, dir-adv & promo.

Brands/services by agency of record:

Industrial chemicals

Ad agency: Poppe-Tyson, New York: William Giacalone, acct super.

Pfizer Pharmaceuticals Products
New York

Corporate personnel: William C. Steere Jr., president; P.G. Tombros, exec vp.

Pfizer Laboratories Division
New York

Marketing Personnel: G.N. Jortner, exec vp-dir opertions; Dean Maglaris, vp-mktg; B.J. Robison, vp-sales; W.B. Surran, dir-mktg svcs.

Brands/services by agency of record:

Diabinese
Minizide

Ad agency: Cline Davis & Mann, New York: Jack Slonaker, vp-acct super.

■

Minipress
Feldene
Procardia
Navane
Protropin
Toranaite

Ad agency: Dorritie & Lyons, New York: John Dorritie, president; Jim Stroup, sr vp, dir-client relations.

Roerig Division
New York

Marketing personnel: K.L. Katen, vp-dir operations; Hank McCrorie, vp-sales; W.J. Cannata, dir-sales & training; R.O. Fulmer, vp-mktg; Karen Davies, group prod mgr; E.R. Frank, J.P. Kelly, sr prod mgrs.

Brands/services by agency of record:

Glucotrol
Sinequan
Unasyn
Branded ethical prods

Ad agency: Cline Davis & Mann, New York: Jack Slonaker, vp.

■

Cefobid

Ad agency: Dorritie & Lyons, New York: John Dorritie, president.

Pfizer Hospital Products
New York

Corporate personnel: E.C. Bessey, president-ceo; Robert DiDomenico, vp-mktg planning; D.R. Thacker, president-Pfizer material science prods, president-mineral, pigments & metals, chmn-Quigley Co.; William Nazarewicz, vp-minerals; W.A. Wilkinson, vp-pigments, magnetics, iron oxide; J.C. O'Donoghue, president, Quigley Co.

Marketing personnel: T.R. Laakso, dir-sales & mktg, pigments, iron oxide; P.R. Saueracker, dir-sales & mktg, minerals.; R.M. Galloway, vp-sales & mktg, Quigley Co.

Corporate media buying: Adforce Inc., New York: Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

RANK
1

Philip Morris Cos.

New York
ADVERTISING **$1.558** BILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	27,695	25,[illegible]9	9.0
Earnings	1,842	1,478	24.6
■ U.S.	**1987**	**1986**	**% chg**
Sales	18,228	17,568	3.8
Operating income	3,631	3,249	11.8
■ Division sales	**1987**	**1986**	**% chg**
Tobacco	14,644	12,691	15.4
Beer	3,105	3,054	1.7
Food	9,946	9,664	2.9

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	49,740	57,590	(13.6)
Business pub	2,893	2,986	(3.1)
Magazine	243,331	225,132	8.1
Newsp supp	9,060	17,307	(47.7)
Farm pub	0	267	NA
Outdoor	50,207	61,283	(18.1)
Network TV	330,778	342,444	(3.4)
Spot TV	111,888	133,724	(16.3)
Network cable	20,522	22,186	(7.5)
Network radio	8,937	7,750	15.3
Spot radio	29,489	4,502	555.0
Measured	856,846	875,170	(2.1)
Unmeasured	701,000	576,000	21.7
Total	1,557,846	1,451,170	7.4

Philip Morris Cos. has adopted a get-tough stance to beef up earnings in virtually all its industry categories—from the company's strong defense of tobacco marketing to its directives to its food and beer divisions.

During 1987, Philip Morris managed to remain tops in the $33.7 billion tobacco market with a record 37.9% share, up 1.1 share points—this in an industry laboring under a 2.5% unit decline influenced by the loss of its first liability suit, the U.S. Surgeon General's branding of smoking as addictive, Canada's adoption of a full ad ban and the proliferation of anti-smoking laws on the local level.

PM came out swinging in the summer of 1988 with a $5 million ad effort, created by Reuben Smith Associates, Nashville, reminding American industry that smokers are a potent "economic force" with "$1 trillion in financial power."

This followed its unusual display of solidarity with competitor, R.J. Reynolds Tobacco, when PM supported RJR after it fired Nabisco agency Saatchi & Saatchi DFS Compton for creating anti-smoking ads for another client Northwest Airlines. After the incident, Northwest said PM barraged its offices with almost 7,000 Mailgrams and disruptive calls to the airline's reservation system.

PM's hard-nosed policy extended to its General Foods and Miller Brewing subsidiaries when its informed them that it was losing patience with their low earnings performance. The profit pressure triggered shock waves and changes at Rye Brook, N.Y.-based GF, including a restructuring, an incentive compensation package for ad agencies and the departure of GF's top executive, Philip Smith.

Miller also was jolted by PM's profit

mandate, resulting in a new president for the Milwaukee brewer and the exploration of new creative for the company's $75 million Miller Lite campaign. Miller President William Howell, 57, took early retirement in January 1988. He was succeeded by Leonard Goldstein, 60, the company's former senior VP-sales.

In July 1988, Mr. Goldstein ordered up new creative executions for the brewer's Miller Lite campaign created by Backer Spielvogel Bates Worldwide. At presstime, no decision had been made whether Miller would drop its 15-year-old "Less filling. Tastes great" campaign. Agencies involved in the brainstorming are currently on the Miller roster, including New York-based BSBW, J. Walter Thompson USA (New York and Chicago) and Leo Burnett USA, Chicago.

That same month, Phil Smith, GF's54-year-old president-CEO and PM vice chairman, announced he would leave to join Pillsbury Co. Mr. Smith was said to be chafing over his inability to "run his own show" at GF.

It was Mr. Smith who masterminded the restructuring of GF. Through the restructuring, nearly 25% of the company's corporate staff was eliminated and General Foods Corp. became a holding company for three independent units, General Foods USA, GF Coffee & International and Oscar Mayer Co. Ervin Shames, 47, was named president-CEO of GF USA; Robert Seelert, 44, was named president-CEO, GF Coffee & International and James McVey, 55, became president-CEO Oscar Mayer. PM will not fill Mr. Smith's post.

The restructuring held up compensation negotiations with GF's agencies until May, when an incentive compensation package was approved awarding up to 3 percentage points more in revenue for outstanding advertising to its agencies. Based on an A, B, or C grading system, the top percentage is believed now to be 16.3%. The package applies only to GF USA.

PM's 37.9% share in the cigarette market helped PM keep its distance from runner-up RJR, whose 32.6% share rose only 0.3 share points from the previous year, according to John Maxwell, analyst with Wheat First Securities, Richmond, Va. Brown & Williamson Tobacco was third at 10.8%, a drop of 0.9 share points; followed by Lorillard, 8.2% share, up 0.1 share points; American Brands, 6.9% share, down 0.3 share points and Liggett & Myers 3.6%, down 0.3 share points.

RJR launched an attack on Marlboro country in summer 1988 with new creative for its Camel and Salem brands designed to bring in younger smokers, which are Marlboro's main franchise. But Marlboro still leads the pack of all cigarette brands in 1987, with a 23.9% market share, said Mr. Maxwell, up from 22.9%. Spending was $84 million in measured media, about even with the prior year.

The original "Marlboro Man," David Millar, 81, died of emphysema-related illness in 1987. The cowboy legacy he did so well to establish continues to define Marlboro. During the year with an extensive campaign for Menthol Marlboro Lights by Leo Burnett, Chicago.

Ads for PM's Merit, the leading low-tar cigarette, in early 1988 abandoned sailing imagery with an aggressive new effort stressing taste and low-tar benefits. The company also began a blind taste test for consumers. Leo Burnett handles Merit, which was supported with $35 million in spending, according to LNA.

Although Merit is the No. 1 low-tar with a 4% share, RJR's Vantage, is close behind at 3.2%. Lorillard's True, with only a 1% share, launched a hard-hitting campaign with a taste message almost concurrently with PM's Merit ads.

Benson & Hedges unit sales dropped 6.7% in 1987 prompting some changes in the creative for the brand's advertising campaign via Wells, Rich, Greene, New York. The much talked about campaign is themed "For people who like to smoke." B&H's share is 4.2%, down slightly from its 4.4% share in 1986. Spending in 1987 is measured at $44 million.

Total company spending in most media were down in 1987. In late March, GF consolidated all its network TV buying at D'Arcy, Masius, Benton & Bowles, New York, a $35 million windfall for DMB&B in addition to the $50 million in buying assignments it already held. The loser was Y&R New York, who previously held network daytime.

Company-wide earnings at GF were depressed because of its troubled coffee division, causing Mr. Smith, at a shareholders meeting in April 1988 to call 1987 "a painful year" for domestic coffee. The company was unprepared for a dramatic drop in retail coffee prices and had an excess of high-priced inventory on hand. As a result, GF funneled the bulk of its spending to cents-off and trade promotion and away from advertising.

The strategy proved costly. While Maxwell House spending, at Ogilvy & Mather, New York, plummeted from $33 million in 1986 to almost nil by year end 1987, GF's total market share also plunged from 35.9% to 34.6%. Meanwhile, rival Procter & Gamble's Folgers gained share from 28.2% to 31.4%.

By early 1988, GF vowed "a rapid-fire series of marketing programs" said Mr. Smith. Maxwell House returned to the air, but dropped its "Coffee Made Our Way" theme for its old "Good to the Last Drop" tag line.

In April, P&G launched a new threat, changing over Folgers to a "fast-roast" technology nationally. With the new technique, beans are roasted faster and hotter, so they "puff more" according to the company, resulting in 13 ounces of the new Folgers being equal to 16 ounces of regular Folgers. Supermarket buyers said GF would have to either convert Maxwell House or "discredit" P&G.

In meals, GF downscaled its Culinova fresh prepared entrees to less exotic fare, lowering the price to less than $4 from a high of over $7 at retail.

Impromptu, GF's shelf-stable line testing in Evanston, Ill., and Portland, Me., was described by Mr. Smith as "our most promising product" at the annual meeting in 1988, but GF declined to give results.

Despite record ad spending in 1987, GF's market share for cereal dropped during the April/May 1988 period as compared to the previous year, according to Tim Ramey, analyst with County Securities, New York. Post's share dropped from just over 12% to 11.8%, he said, compared to a gain for Kellogg Co. to 41.8% from January through May 1988, from 41.1% in 1987.

GF became embroiled in the Great Raisin War of 1987 when Kellogg Co. sued GF and its agency, Grey Advertising, over claims made in Post Raisin Bran advertising. Kellogg filed a $100 million lawsuit in U.S. District court in Kalamazoo, Mich., charging that the Post ads "inaccurately claim that the raisins in Post Natural Raisin Bran are natural and unprocessed." The suit was settled out of court in summer 1988. No damages were paid.

Meanwhile, Post changed its Raisin Bran ads, enlisting the California Raisin Advisory Board's Dancing Raisins to plug the cereal. Post began running teaser ads in April 1988 and by July 1988 rolled a :32 national TV spot featuring the Raisins in concert.

Post also introduced a resealable "Zip*Pak" technology for its cereals, beginning with Raisin Bran, in 1987, supported with ads starring John Denver.

Raisin Bran received $17.7 million in measured media spending in 1987, up from $15.4 million in 1986. Post Raisin Bran' share hovered near 2% in 1987, only half of Kellogg's Raisin Bran's 4%.

Total cereal spending for Post was $88 million, up 11.3% from the prior year. Grape-Nuts received the most support—$28 million up 40%.

To revive the $800 million powdered drink segment, which is declining at about 5% annually, GF rolled national in February 1988 with Tang Fruit Boxes, an aseptic drink, spending $20 million on the campaign. The ads feature Claymation figures and "mouths" sliding off children's faces to "run" to the grocers to buy the Fruit Boxes. The theme: "The taste your mouth can't wait for."

Separately, GF rolled national with a $20 million effort for Kool-Aid themed "Wacky Wild Kool-Aid Style," and a $25 million consumer promotion. GF also launched a national "Big Chill" style Kool-Aid campaign for adults, with parents discussing the ups and downs of having kids—and having kids drink Kool-Aid.

In the $2 billion-plus frozen novelty market, GF rolled out three new products in 1988: Jell-O Pudding Pops Deluxe, Kool-Aid Kool-Pops frozen drink bars

OUR OPERATORS AREN'T JUST STANDING BY.

They're completing sales, collecting data, serving customers. They're behind the success of the most efficient and productive telemarketing service bureau – WATS Marketing of America, Inc.

Our inbound operators have processed more than 125 million calls since 1978. They handle marketing projects for Fortune 500 companies and some of the nation's largest advertising agencies. They greet thousands of callers who respond to 800-number advertisements, fulfilling order requests quickly, accurately and courteously.

Our outbound operators are constantly on the phone contacting both businesses and households on behalf of our clients' products and services. They carry out their assignments with a professionalism and integrity that are enhancing the image of outbound telemarketing.

What is standing by is the massive support of the telemarketing industry's most extensive and technologically advanced computer system . . . the financial strength and resources of our parent companies, First Data Resources and American Express . . . and a level of commitment to customer service which is simply unmatchable in the industry.

Call now. A National Account Manager is standing by.

800-351-1000 ☎ **WATS MARKETING of America, Inc.**

with Vitamin C and Crystal Light Cool 'n Creamy bars. Young & Rubicam was assigned Pudding Pops Deluxe; Grey received Kool-Aid and DMB&B the Crystal Light bars.

Spending for all Jell-O and Crystal Light frozen novelties in 1987 was $14 million, up 17% from the previous year.

In August, 1987, GF sold its Open Pit barbecue sauce to Campbell Soup Co. for an undisclosed sum.

Miller Brewing registered only a 0.6% increase in shipments in 1987 as compared to Anheuser-Busch's 3.8% gain. Emanuel Goldman, analyst with PaineWebber, put A-B's 1987 market share at 40.4% as compared to Miller's 21.2%. Stroh Brewery comes in third with 11.1%.

A change of direction was brewing at Miller in 1988, as the company announced its intention to concentrate more fully on promotion and local advertising at the expense of national ads. First quarter 1988 figures from LNA show a decline in total measured spending to $26 million from $35 million in first quarter 1987.

The biggest spenders in the Miller lineup in 1987 were Miller Genuine Draft, with $52.4 million in measured spending, up substantially from 1986 spending of $37.7 million and Miller Lite, with $73.8 million, down slightly from 1987's $76.3 million.

Miller Lite, the No. 1 light beer, saw its sales grow only 0.5% to 19.2 million barrels in 1987. Meanwhile, A-B's Bud Light soared 23% to 8 million barrels and Adolph Coors Coors Light rose 12% to 8.2 million barrels. To raise its share of the light market, Miller began testing Lite Genuine Draft in four markets in March 1988.

Miller tried to stem decline of its High Life brand, which skidded from a 13% share in 1980 to 4.9% in 1987, according to industry newsletter *Impact*, with a fresh ad approach from J. Walter Thompson, New York. The campaign scrapped the "Made the American Way" theme line for "Stop and Taste the High Life." The company, in 1988, is expected to pump more spending into High Life, which was supported by $20 million in measured media in 1987.

Lowenbrau TV ad spending was cut in 1987 to $10 million from $19 million the prior year, with the bulk of Lowenbrau's spending in print. But, in February 1988, the company shifted gears with a network TV campaign featuring a lion chained to a beer barrel via JWT.

Miller also broadened its base through the acquisitions this February of Chippewa Falls, Wis.-based Leinenkugel Brewing, a premium lager marketer. Agency is Frankenberry, Laughlin & Constable, Milwaukee, handles the Leinenkugel's estimated $1 million in measured spending.

PHILIP MORRIS CO.
120 Park Ave.
New York, N.Y. 10017
(212) 880-5000

Philip Morris USA
New York

Marketing personnel: William Campbell, exec vp-mktg & sales; David E.R. Dangoor, vp-mktg; Vincent Buccellato, vp-sales; Edwin McQuigg, vp-sales devel; Ellen Merlo, vp-mktg svcs; Jon Zoler, dir-mktg rsch; Richard Stirlen, dir-media; James Spector, dir-consumer promo; Louis Suwarna, dir-new prods; Michael Heinrich, dir-purchasing; Cathy Leiber, dir-events promos; Nancy Brennan Lund, group dir-Marlboro; Brian Schuyie., group dir-full margin brands; Lawrence Wexler, group dir-price value brands; Timothy Beane, mgr-mktg planning; Irene Bick, mgr-direct mktg; Esther Fortner, mgr-special media; Carolyn Levy, asst dir-consumer rsch; Roy Anise, mgr-mktg analysis; Barbara Weinstein, mgr-mktg info; Celestial Kohl, group mgr-Marlboro; Richard Camisa, brand mgr-Marlboro 100's & Menthol; H. David Mackey, brand mgr-Marlboro Reds & Lights; Renee Simons, brand mgr-Benson & Hedges; James Scully Jr., brand mgr-Merit; Herbert Foster III, brand mgr-Virginia Slims; Arthur Goldfarb, brand mgr-Alpine & Famous Value Brands; Arthur Raporte, brand mgr-Cambridge & Players; Susan Alter, brand mgr-new prods; Alex Aliksanyan, asst brand mgr-Parliament.

Brands/services by agency of record:

Parliament

Ad agency: Backer Spielvogel Bates Worldwide, New York: Diane Metzler, vp-assoc media dir.

■

Marlboro
Merit
Virginia Slims

Ad agency: Leo Burnett USA, Chicago: James Oates, exec vp-acct dir; Peter Volz, acct dir.

■

Benson & Hedges

Ad agency: Wells, Rich, Greene, New York: Lisa Patrick, acct super; Chris Lloyd, acct exec; Leslie Burrow, asst acct exec; Meg Malone, acct exec, new prods.

Miller Brewing Co.
Milwaukee, Wis.

Marketing personnel: Robert Toldeo, vp-brand mgmt; William Barrett, Jerome Schmutte, Scott Steward, group prod dirs; Michael Boykin, brand mgr-Matilda Bay & imports; Noel Hankin, brand mgr-Lite Genuine Draft & new prod; Tamara Hauck, brand mgr-Lite; Robert Tyley, brand mgr-Miller High Life; Ralph Kytan, brand mgr-Genuine Draft; Jeff Schouten, brand mgr-Milwaukee's Best, Meister Brau & Lowenbrau; David Krishock, brand mgr-new prods.

Brands/services by agency of record:

Miller Lite
Genuine Draft
Meister Brau
Milwaukee's Best
Miller corp adv

Ad agency: Backer Spielvogel Bates Worldwide, New York: Dan Merrick, Jerry Siano, acct execs (Lite); J.B. Raftus, Laura Lancaster, acct execs (Genuine Draft); Roberto Calderin, acct dir (Meister Brau, Milwaukee's Best, corp adv).

■

Lite Genuine Draft
Miller corp adv

Ad agency: Leo Burnett USA, Chicago: Brian Goldner, T. Scott Edwards, acct execs (Geunuine Draft Lite); Chris Miles, Charles von Weise, asst acct execs (Genuine Draft Lite); Mike O'Neal, John Kovos, acct dirs (corp adv).

■

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif.: Eduardo Del Rivero, sr vp; Randel Ransom, acct super.

■

Miller High Life

Ad agency: J. Walter Thompson, New York: Greg Sieck, acct dir.

■

Lowenbrau

Ad agency: J. Walter Thompson, Chicago: William Howard, sr vp-acct dir; Michael Kahn, acct super; Mary Jean Vuco, acct coord.

■

Black mkt adv

Ad agency: Mingo Jones Advertising, New York: Cliff Ruffins, acct super (Miller High Life, Genuine Draft); Andrea Fant, acct exec (corp adv); Marc Strachan, acct dir (Miller Lite).

Mission Viejo Realty Group
Mission Viejo, Calif.

Marketing personnel: James Gilleran, president-ceo; Jack Raub, exec vp.

Brands/services by agency of record:

Mission Viejo Realty

Ad agency: Green, Martin & Nevins, Costa Mesa, Calif.: William Green, president.

General Foods Corp.
White Plains, N.Y.

Corporate personnel: Ervin Shames, president-ceo; Thomas Hoeppner, group vp; William Korab, group vp, genl mgr, Post; Brian Laragh, group vp; Gregory Murphy, vp, president-ceo, Bakery Holding Co.; Stephen Sadove, vp; David Hurwitt, vp-mktg & comm svcs; David Braun, dir-media & promo svcs; Richard Helstein, dir-adv svcs.

Marketing personnel: Gregory Murphy, vp-GF USA, president-ceo, Bakery Holding Co., president-ceo, Entenmann's; David Collins, vp-GF USA; exec vp-Bakery Holding Co., president-Boboli; Kurt Wissehr, president-ceo, Freihofer's; Douglas Smith, vp-genl mgr, beverage div; Ann Fudge, mktg mgr, beverage div; Peter Robinson, business mgr, Bird's Eye; Polly Judson, mktg mgr, Bird's Eye; Rick Powers, devel mgr, Culinova; Yves Coleon, mktg dir, Culinova; Steve Sadove, vp-dry grocery; John Bowlin, general manager-starches, dry grocery; Gabrielle Hermann, vp, genl mgr, dry packaged desserts; Dan Gioia, mktg mgr, dry packaged desserts; Sylvester Hinkes, vp, genl mgr, Enhancer div; Paul Singer, consumer mktg mgr-established brands, Enhancer div; David Gustin, genl mgr, frozen desserts; Maritta Ko, devel mgr, Impromptu; Maggie Wolf, prod mgr, Imprompút; William Korab, group vp, genl mgr-Post cereals; John Canavan, asst genl mgr-Post cereals; John Watson, genl mgr-refrigerated desserts; Mary Hiecke, category mgr-refrigerated desserts; Robert Ronzoni, president-Ronzoni foods; John Bowlin, genl mgr-starches, Ronzoni foods.

Brands/services by agency of record:

Entenmann's
Crystal Light
Crystal Lite frozen novelties
Cool Whip
Good Seasons

Ad agency: D'Arcy Masius Benton & Bowles, New York: Peter Rosow, sr vp, dir-acct mgmt; Allen Adamson, Carla Gambescia, Lance Smith, vps-acct dirs.

■

Post Raisin Bran
Grape-Nuts
Grape-Nut Flakes
Honeycombs
Fruit & Fibre
40% Bran Flakes
Crispy Critters
Minute Rice
Stove Top stuffings
Oven Fry coating
Impromptu
Kool-Aid
Kool-Aid Koolers
Baker's Chocolate/Coconut
D-Zerta
Dream Whip

Ad agency: Grey Advertising, New York: Jack Frantz, exec vp-mgmt rep; Carol Herman, Carolyn Carter, Jerry Zaret, sr vps-mgmt supers.

■

Post Pebbles
Super Golden Crisp
Alpha Bits
Country Time
Tang
Tang Fruit Box
Log Cabin Syrup
Shake 'n Bake

Ad agency: Ogivly & Mather, New York: Dave Warden, sr vp-group dir; Rick Roth, sr vp-mgmt super.

■

Jell-O desserts
Bird's Eye
Ronzoni

Ad agency: Young & Rubicam, New York: George Guimares, exec vp-group dir; Fernan Montero, Fran Gormley, sr vps-group dirs.

General Foods Worldwide Coffee
& International
New York

Corporate personnel: Robert Seelert, president-ceo; John Keenan, exec vp; Brian McIver, vp-group exec, planning and devel; John Webber, dir-mktg/rsch/mktg svcs.

Marketing personnel: Raymond Viault, vp-GFW, president-Maxwell House; Bob Pizzuti, dir-mktg/merch/devel, Maxwell House; Alan Plassche, vp, general manager-food service prods div; J. Mark Harran, dir-mktg & devel, food service prods div.

Brands/services by agency of record:

Yuban
Brim

Ad agency: D'Arcy Masius Benton & Bowles, New York: Peter Rosow, sr vp, dir-acct mgmt.

■

Maxwell House
Master Blend
Private Collection

Ad agency: Ogilvy & Mather, New York: Jack Reed, sr vp, dir-acct mgmt.

■

Sanka
International Coffees
Gevalia

Ad agency: Young & Rubicam, New York: Larry Shapiro, exec vp.

Oscar Mayer Foods
Madison, Wis.

Corporate personnel: James McVey, president-ceo.

Brands/services by agency of record:

Oscar Mayer meats

Ad agency: J. Walter Thompson, USA, Chicago: Jerry Johnston, sr vp-acct dir; Kimberly Crowe, acct super; John McGrath, Nancy Statza, Kathleen Reese, Leslie Shelton, Peg Martin, acct reps.

■

Louis Rich

Ad agency: D'Arcy Masius Benton & Bowles, New York: Peter Rosow, group dir; Lance Smith, acct dir; Stu Upton, acct super; Cathy Yachnin, acct exec.

RANK
82

Philips NV

Eindhoven, The Netherlands
ADVERTISING: **$ 107.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	25,229	26,340	(4.2)
Earnings	390	486	(19.8)
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	5,691	6,439	(11.6)
■ *Division sales*	*1987*	*1986*	*% chg*
Lighting	3,138	3,275	(4.2)
Consumer electronics	8,037	8,155	(1.4)
Domestic appliance	3,031	3,013	0.6
Professional prods	7,013	7,675	(8.6)
Components	5,172	5,382	(3.9)
Miscellaneous	860	1,034	(16.8)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	366	276	32.7
Business pub	4,385	2,738	60.1
Magazine	9,445	6,327	49.3
Newsp supp	166	416	(60.1)
Outdoor	4	1	216.7
Network TV	34,100	18,570	83.6
Spot TV	2,618	10,764	(75.7)
Network cable	1,723	1,850	(6.9)
Network radio	386	682	(43.4)
Spot radio	33	218	(84.8)
Measured	53,226	41,842	27.2
Unmeasured	54,000	42,000	28.6
Total	107,226	83,842	27.9

NOTE: *Financial totals converted at the rate of 2,089 FL = U.S. $1 for 1986 and 1987.

Philips NV, which in 1987 acquired the 42% of North American Philips Corp. stock it didn't already own, turned around this August to sell off 53% of its worldwide appliance unit to Whirlpool. The two moves by the Dutch company reflect the geographic direction of its marketing effort—the U.S.—and the need to shore up the bottom line, if not temporarily through a cash infusion. It also has reduced its share in several joint ventures.

Philips NV profits dipped in 1987 from the prior year, but they have been stagnant for several years as sales generally have climbed. The margin, or net income divided by sales, at Philips in 1987 was only 1.5%. That previously low figure continues into 1988. In the second quarter of this year, Philips net profits fell 44% to to $56.6 million, the lowest level since 1983, on sales of $6.1 billion, up 6%.

Philips said its performance has been hurt by cheap imports from the Far East, particularly South Korea, and the decline in the dollar, the latter affecting products produced in strong-currency areas like Europe but sold elsewhere. The U.S. accounts for 40% of its sales but only 25% of its production.

To gain more direct control of the U.S. operation, Philips paid $683 million for the remaining shares of NAPC. Philips has since divided its U.S. operations into two separate entities: NAPC and Consolidated Electronics Industries Corp., the latter housing its non-electronics business. CEI includes Anchor Brush Co., Genie home products, Selmer orchestral instruments and Magnavox Government & Industrial Electronics Co.

At the same, Philips has launched a worldwide plan to cut overhead and production expenses by eliminating 20,000 jobs (6% of the total) and closing 70 factories.

As part of Philips' consumer electronics division, which had a 1.4% decline in worldwide sales to $8.0 billion in 1987 although U.S. division sales were up, NAPC backed its Magnavox, Sylvania, Philips and Philco audio-video brands in the U.S. with measured ad spending of $23.9 million, up 7.8% from 1986.

The Philips brand name was reintroduced in 1987 which features prestige, high end TVs, audio equipment, VCRs and CDs. A $4-to-$5 million print campaign from Backer Spielvogel Bates, New York, featured a three-page magazine ad headlined "Philips discovers America." The Philips line now has 200 dealers, up from the original 100 a year ago, and markets 40 audio/video products.

The Magnavox brand, the biggest advertiser in the division, drew $19.4 million in measured spending, up 33% from the prior year, according to BAR/LNA. That level has been hiked about 50% to an annualized rate of $30 million for 1988. A four-month-long print and TV campaign from Backer Spielvogel Bates featuring the Smothers Brothers began in September 1987. Follow-up spots and print ads with the singing comedy duo promoting new color TVs, VHS-C camcorders and Universal remote are rolling out this winter.

According to *Television Digest*, 5% of 1987 model color TVs sold were Magnavox and sales of Sylvania and Philco brands brought Philips total market share to 9%, third among manufacturers' brands, with RCA at 17%, Zenith at 14.5% and ahead of Sony with 6%. That was about the same as 1986, but down from the 1981 high of more than 13% for the brands.

Philips is the world's largest manufacturer of lamps and world leader in light bulb sales. In the $1.5 billion (retail dollars) U.S. consumer lighting market, Philips Lighting Corp. is No. 2 with a 15% market share behind General Electric and ahead of GTE Sylvania. Sales of light bulbs for 1987 were up 42% over 1986 and sales for the first three months of 1988 were 62% higher than same period last year. Philips Lighting Corp. spent $9.4 million in measured advertising in 1987, up 36%. Sales of the Longer Life bulb were up 75% for first quarter of 1988. Other new campaigns included a print campaign for Director bulbs (for track and ceiling lights) and one for security lighting with McGruff the crime dog. Ninety percent of Philips Lighting Corp.'s advertising is network TV.

The former NAPC consumer products division, renamed the Norelco Consumer Products Division, includes the Schick and Philips home products brands. Philips plans to eventually market all these products under the Norelco or Philips name. In 1987 Norelco, the No. 1 electric razor marketer with an estimated 39% share, phased out non-rotatract shavers and concentrated advertising spending on TV and print for the rotatract models. Remington was close behind with a 37% share at the close of 1987.

New domestic appliances in 1987 were low-noise hairdryers, cordless hair curlers and a ton of coffeemakers. Philips is improving design and making appliances easier to use and aiming them specifically at the youth market with modern design and color.

MARKET RESEARCH...
Executive recruiters for expd consumer pkgd good researchers
Salaries $40M-$75M
SFA
SMITH'S 5TH AVENUE
17 East 45 St., N.Y. 10017
212-682-5300

When You Want To Go Direct, Go Through Western Union.

For Speed

Western Union's production turnaround is measured in days, not weeks. 24-hour service is available in many instances.

Once your message is ready to go, you can depend on delivery to your target overnight, in two days or via first class mail—the choice is yours.

And Impact

Western Union's distinctive envelope sets you apart from the competition. It's a proven advantage that gets response.

Use Western Union To:

- Generate leads
- Announce new products
- Kick-off special promotions
- Conduct market research surveys
- Act immediately on changes in strategy, product or the market

All Western Union products can include a business reply for fast response.

Whether You Want To Reach 1 or 100,000 Western Union Delivers.

To find out how Western Union can help you get results, call 800-336-3797.

western union

Priority Mail Services
1651 Old Meadow Road, McLean, VA 22102
New York Office
600 3rd Avenue, New York, NY 10016
(212) 972-4488

A number of top-level personnel changes included the naming of Cees Bruynes as the new chairman-CEO of Consolidated Industries Electronics. He was chairman of NAPC, and was succeeding in that post by Gerrit Jeelof, who will continue as executive VP and vice chairman of the board of management and group management committee of Philips NV.

NV PHILIPS'
GLOEILAMPENFABRIEKEN
Groenewoudseweg
5621 BA Eindhoven
The Netherlands

North American Philips Corp.
100 East 42nd St.
New York, N.Y. 10017
(212) 697-3600

Corporate personnel: Gerrit Jeelof, chmn & ceo.

Philips Consumer Electronics Corp.
Knoxville, Tenn.

Corporate personnel: Donald F. Johnstone, president.

Marketing personnel: Paul Fredrickson, dir-mktg & merch; Robert Beasley, vp-mktg; William Ulewicz, vp-Magnavox sales; Thomas Costello, vp-Philips sales; Rick Policicchio, vp-Philips, Sylvania, Philco sales.

Brands/services by agency of record:

Magnavox
Philips brand
Sylvania

Ad agency: Backer Spielvogel Bates Worldwide, New York. Charles Decker, sr vp-mgmt super.

Norelco Consumer Products Division
Stamford, Conn.

Marketing personnel: L.M. Beggs, president; Walter Stark, dir-sales, admin & merch; Susie Stephansen, merch mgr.

Brands/services by agency of record:

Norelco

Ad agency: D'Arcy Masius Benton & Bowles, N.Y.: Alan Goltz, acct dir.

Philips Lighting Corp.
Somerset, N.J.

Marketing personnel: Richard D. Capra, president; Scot Weimer, mgr-adv & rsch; Jerry Preyss, vp-mktg.

Brands/services by agency of record:

Philips Lighting prods.

Ad agency: Cliff Freeman & Partners, New York. Joseph McCarthy, mgmt super.

Genie Co.
Akron, Ohio

Marketing personnel: John T. Gray, president; Coleman Caldwell, vp-sales; Michael Fox, adv mgr.

Brands/services by agency of record:

Genie Co. prods.

Ad agency: Wyse Advertising, Cleveland. Peter Winzig, acct exec.

Philips Business Systems
Woodbury, N.Y.

Marketing personnel: Paul Dentone, president; Timothy Holmes, vp; MaryAnn Barrise, adv svcs coord.

Brands/services by agency of record:

Philips Business Systems

Ad agency: Greenstone & Rabasca, Melville, N.Y.: Rick D'Amico, acct exec.

RANK
19

Pillsbury Co.

Minneapolis
ADVERTISING **$ 473.9** MILLION

Sales & earnings

($ in millions)

Worldwide	**1988**	**1987**	**% chg**
Sales	6,191	6,128	1.0
Earnings	69	182	(62.1)
U.S.	**1988**	**1987**	**% chg**
Sales	5,350	5,510	(2.9)
Operating income	258	444	(41.9)
Division sales	**1988**	**1987**	**% chg**
Food	3,560	3,363	5.9
Restaurants	2,630	2,764	(4.8)

U.S. advertising by media

($ in thousands)

Media	**1987**	**1986**	**% chg**
Newspaper	753	1,346	(44.1)
Business pub	467	323	44.5
Magazine	5,246	7,011	(25.2)
Newsp supp	23	134	(83.0)
Outdoor	1,629	1,340	21.6
Network TV	104,335	105,052	(0.7)
Spot TV	118,776	125,218	(5.1)
Network cable	1,300	1,549	(16.1)
Spot radio	16,366	18,178	(10.0)
Measured	248,895	260,150	(4.3)
Unmeasured	225,000	235,000	(4.3)
Total	473,895	495,150	(4.3)

Companies who issue their own "whew!" statements are rare. This past year Pillsbury joined the few when it called its fiscal 1988 "a year we are all glad to have behind us," and for good reason. It was a year of poor operating results and management and organizational shakeups.

Pillsbury suffered its second straight drop in net income in fiscal 1988 ended May 31, primarily as a result of a poor performance by Pillsbury's flagging restaurant group in which Burger King sales fell 1%, Steak & Ale's dropped 6% and Bennigan's slipped 3% from the previous year.

Pillsbury took decisive action to remedy the problem by announcing its intent to sell Godfather's Pizza, Quik Wok, Bay Street and Key West Grill restaurants, by modernizing or closing some Burger King, Steak & Ale and Bennigan's restaurants, and streamlining other company operations. All this resulted in a $215.3 million restructuring charge.

In mid-1988, Pillsbury's Foods Group was reorganized into Consumer, Industrial and International foods divisions as part of a plan to focus on fewer business and product lines. A down-sized restaurant group also enabled Pillsbury to focus on core restaurant chains—Burger King, Bennigan's and Steak & Ale.

Corporate shakeups continued through fiscal 1988 and into July, when Philip Smith, 54, was named president-CEO to replace William H. Spoor, who had come out of retirement to pinch hit until a replacement could be found for chairman-president-CEO John Stafford, who resigned in February. Mr. Smith previously held the same post at Philip Morris Cos.' General Foods unit.

His arrival followed the June resignations by Jeff Campbell, restaurant group chairman and Burger King president, and Kyle Craig, S&A Restaurant Corp. chairman-CEO. Charles Olcott, 41, was promoted to president-COO of Burger King overseeing worldwide operations.

Pillsbury's reported its worldwide advertising, promotion and selling costs were $653.9 million during fiscal 1988, up a modest 2.7% from fiscal 1987. Some $572 million of that was spent worldwide to advertise Pillsbury brands, up 5% from fiscal 1987.

In the U.S., Pillsbury's measured media spending for calendar 1987 dropped 4.3% to $248.9 million, some 75% of that spent on Pillsbury's various restaurant groups paced by $163.6 million expenditure for Burger King, virtually unchanged from 1986.

Burger King, the world's No. 2 hamburger chain with 5,578 units operating at the end of fiscal 1988, dropped J. Walter Thompson for N W Ayer in September 1987. Ayer produced a new campaign themed "We do it like you'd do it," and ads have returned to the "broiled vs. fried" theme of the past in hopes of rejuvenating sales that apparently weren't helped by JWT's "Herb" campaign of early 1987.

The chain plans to increase the number of new units opened in the U.S. to 40 by June 1989, from 25 in fiscal 1987 and 1988. Despite overcrowding in many markets, BK will open units in unconventional sites such as airports, hospitals, schools and zoos.

During the year, Pillsbury foods sales rose 6% to $3.56 billion, buttressed by a 7% growth in vegetable sales, an 18% growth in Haagen Dazs ice cream and a 35% increase in international foods sales. Sales of consumer foods, traditionally Pillsbury's largest segment, increased only 2%.

Although it remained the No. 1 marketer of frozen pizza, Pillsbury suffered a 6% drop in sales attributed to price hikes for Totino's brand pizza, which have since been rescinded. Pillsbury holds a 40% share of the frozen pizza market, down from over 50%, said John McMillin, food industry analyst for Prudential-Bache Securities, New York. Pillsbury spent only $1.4 million in measured media for Totino's, both microwave and frozen varieties.

Pillsbury concentrated sizable ad dollars behind microwave products which totaled $17.8 million in measured advertising, up 85% from 1986. Microwave cake mixes led the pack with a $6.3 million expenditure, up from $2.7 million in 1986. Pillsbury also launched Microwave Brownie Mix during the year, spending $2.4 million on the item, and spent heavily for multi-product advertising backing microwaveables on network TV ($4.8 million).

Among other personnel shifts, Thomas McBurney was moved from chairman of the Foods group to the newly-created In-

Do You Know What It Means

To Miss New Orleans?

Unfortunately, some national advertisers do. And that makes us wonder why. Consider, for a moment, that retail expansion has increased 25 percent in the last 18 months. And if you're still not convinced, consider that Macy's "exceeded" its expectations when it opened in October of 1986. That's why it is opening a second one in New Orleans this year.

Who else is in New Orleans? Brooks Brothers, Saks Fifth Avenue, Esprit, Gucci, Laura Ashley, strong regional retailers like Maison Blanche and D.H. Holmes, and in August of 1988...Lord & Taylor. Do they know something about the $14 billion New Orleanians spend on retail sales that you don't?

If you're missing the good news, call Ray Massett (504) 826-3071.

The Times-Picayune's Weekly Coverage of the New Orleans Market:

	%	Total
All Adults	87	966,000
Executive/Professional Occupation	91	244,000
$50,000+ Household Income	95	110,000

Source: Total Retail Sales - 1987 Sales & Marketing Management, Survey of Buying Power
N.O. MSA Readership - Belden CMS, June-Dec. 1986

AD SAT

The Times-Picayune

Represented Nationally By Newhouse Newspapers • New York, NY (212) 697-8020 • Birmingham, MI (313) 540-5606
Atlanta, GA (404) 955-2335 • Chicago, IL (312) 641-6242 • San Francisco, CA (415) 362-3387 • Beverly Hills, CA (213) 205-7647

ternational Foods division to become executive vice president and chairman; departure of U.S. Foods President Kent Larson; and Aug. 1 retirement of Don Osell, VP-marketing services for Pillsbury Co., who was replaced by Larry Constantineau, who assumes the newly-created VP-marketing services and market research.

PILLSBURY CO.
200 S. 6th St.
Minneapolis, Minn. 55402
(612) 330-4966

Corporate personnel: Philip L. Smith, chmn & president-ceo; Roger L. Headrick, exec vp-cfo.

Marketing personnel: Larry Constantineau, vp-mktg svcs & mkt rsch; Ron Kos, dir-adv svcs.

Food Group
Pillsbury Consumer Foods

Corporate personnel: John L. Morrison, chmn; Bob Lindsay Jr., vp-genl mgr, bakery & sweet goods; Dan Locke, vp-bakery & sweet goods; Mike Paxton, vp-genl mgr, prepared dough prods; Gary Klingl, vp-genl mgr, vegetables & side dishes.

Marketing personnel: David Webber, vp-mktg, pizza; Linda Keene, vp-mktg, bakery & sweet goods; Jerry Hanna, dir-mktg, bakery mixes; Dick Anderson, dir-mktg, frozen vegetables; Brent Bailey, dir-mktg, fish; Craig Evanich, dir-mktg, prepared dough prods; Larry Wheeler, vp-mktg, shelf stable vegetables; Rebecca Roloff, vp-mktg, fresh vegetables.

Industrial Foods

Corporate personnel: Russell J. Bragg, president.

Haagen-Dazs Ice Cream
Teaneck, N.J.

Corporate personnel: Mark L. Stevens, president.

Marketing personnel: Michael Bailey, sr vp-sales & mktg.

Burger King Corp.
Miami

Corporate personnel: Charles Olcott, president-coo.

Marketing Personnel: Anthony Lavley, exec vp-mktg.

S&A Restaurant Corp.
Dallas
(Steak & Ale, Bennigan's)

Corporate personnel: Jerry W. Levin, chmn; Donald J. Slater, president.

Marketing personnel: Nick Castaldo, sr vp-mktg, Bennigans, Steak & Ale; Ruth Reed, dir-mktg, Steak & Ale.

Brands/services by agency of record:

Burger King

Ad agency: N W Ayer, New York: Dom Rossi, exec vp-mng dir; Lee Rubin, sr vp-mgmt super; Alison Damis, Shari Leifer, Jack Rayher, acct supers; Bill Webster, sr acct exec; Peter Minnium, Nancy Ryan, Bob Schmitt, Mike Lehman, acct execs.

■

Burger King-Hispanic adv

Ad agency: Castor Spanish International, New York: Castor A. Fernandez, president, creative dir.

■

Burger King-Black adv

Ad agency: UniWorld Group, New York: Byron Lewis, chmn-ceo; Andy Bonaparte, vp-mgmt super; Beverly Nelson, acct super.

■

Green Giant prods
Refrigerated foods
Hungry Jack potatotes & pancakes
Totino's pizza
Jeno's pizza

Ad agency: Leo Burnett USA, Chicago: Susan Ball, acct super; John Miller, sr vp-acct dir; Edson Sessions, vp-acct dir.

■

Van de Kamp's frozen seafood and entrees

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles: Jim Helin, mng dir; Diane Krouse, vp-mgmt super; Arlene Spector, vp-acct super; Phil Odell, sr acct exec.

■

Haagen Dazs

Ad agency: Doyle Graf Mabley, New York: Marianne Collins, vp-mgmt super; Sarah Hiner, acct exec.

■

Corp trade adv
Consumer & sales promo svcs projects

Ad agency: Pride, Barber & Whaley, Minneapolis: Bob Pride, chmn; Lynn Dekker, vp-acct super.

■

Steak & Ale
Bennigan's restaurants

Ad agency: Lintas:New York: Robert D. Wadsworth, exec vp.

■

Bennigan's

Ad agency: Rosenberg & Co., Dallas: Trey Morgan, vp-acct super; Tom Rowe, acct exec.

■

All Ready pie crusts, cakes & frosting mixes
Pillsbury microwave prods
Artificial sweeteners
Figurines

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp, dir-client svcs.

RANK
2

Procter & Gamble Co.

Cincinnati
ADVERTISING: **$1.387** BILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1988*	*1987*	*% chg*
Sales	19,336	17,000	13.7
Earnings*	1,020	327	211.9
■ ***U.S.***	***1988***	***1987***	***% chg***
Sales	12,423	11,805	5.2
Net income*	864	305	183.3
■ ***Division sales***	***1988***	***1987***	***% chg***
Cleaners	6,668	5,784	15.3
Personal care	8,676	7,512	15.4
Food, beverage	2,963	2,976	(0.4)
Other	1,532	1,186	29.2

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	5,576	4,030	38.3
Business pub	3,579	3,194	12.0
Magazine	79,611	87,105	(8.6)
Newsp supp	2,217	640	246.6
Outdoor	842	293	187.1
Network TV	377,552	447,436	(15.6)
Spot TV	238,049	233,212	2.1
Network cable	23,713	27,597	(14.1)
Network radio	23,665	14,289	65.6
Spot radio	7,906	7,471	5.8
Measured	762,710	825,268	(7.6)
Unmeasured	624,000	675,000	(7.6)
Total	1,386,710	1,500,268	(7.6)

NOTE: *Worldwide earnings were reduced by $459 million and U.S. earnings were reduced by $357 million to reflect costs of restructuring in fiscal 1987.

Procter & Gamble Co. spent most of 1987 supporting existing brands and seeking more efficient media buys at the expense of its heavy network TV advertising. In the process, U.S. ad totals for this perennial No. 1 advertiser dipped 7.6%, dropping P&G to the No. 2 slot behind Philip Morris.

P&G's total measured ad expenditures also dropped for the second consecutive year as network TV expenditures fell 17.6% to $377.6 million, a figure that still makes P&G the king of network TV advertising.

Worldwide, the company's big ad budget helped push net sales 14% to $19.34 billion in fiscal 1988, ended June 30. P&G worldwide net earnings climbed 30% to $1.02 billion from $786 million last year, excluding the prior year's one-time charge that reduced net earnings by $459 million to cover restructuring of its manufacturing operations, including a drastic reduction of capacity for its Duncan Hines ready-to-eat soft cookie line.

"This past year's significant profit recovery is in line with our expectations," said John Smale, P&G chairman-CEO, and John E. Pepper, president, in a joint statement. "Broadly based volume growth, particularly in international operations, and the lower federal statutory tax rate in the U.S. were major factors contributing to the strong improvement in earnings." P&G's non-U.S. net sales have risen from 29.1% of the total in fiscal 1986 to 37.7% in fiscal 1988—a time period that has been marked by a steep drop in the value of the dollar.

Although P&G earlier this year sliced nearly $75 million more from its 1987 network TV budget, which was down $81 million from 1986, it more than compensated for the network TV spending cut with aggressive syndicated and cable TV buys, couponing, promotions and special-events programs.

"P&G's whole philosophy over the last two years has been to put more money into syndie deals, print and cable," said Greg Ostroff, a securities analyst with Goldman Sachs & Co., New York.In October 1987, P&G cut an estimated $20 million upfront deal on the 191 stations represented by Katz Television Group, and bought $10 million of time on the Turner Broadcasting System/Tribune Broadcasting "unwired network" system. The two deals are said to have offered P&G the advantages of lower cost-per-thousand, audience guarantees and the relative ease of one-stop buying.

P&G markets the leading brand in 21 of the 40 product categories in which it competes. Its largest measured media expenditure for a single brand in 1987 was $44 million for Folgers coffee, a 16% increase over 1986.

In October 1987, P&G established category business units through the company's domestic operations. All brands and products in a particular business category, such as disposable diapers or oral care products, now are grouped organizationally in the same unit under the direction of one general manager, in order to eliminate promotional duplications.

P&G, observers say, may reorganize its ad agencies along category lines. Such speculation was fueled in May when P&G transferred its estimated $4 million Bold laundry detergent account to Leo Burnett USA, Chicago, from Grey Advertising, New York. Burnett already handles Cheer and Era detergents.

Burnett also was the lucky winner in November 1987 when P&G pulled two brands from Wells, Rich, Greene, New York. Burnett won Prell shampoo and conditioner, and N W Ayer, New York, got the Citrus Hill Plus Calcium and Lite Citrus Hill brands. Ayer already had been working on regular Citrus Hill Select orange juice.

P&G in January moved its $10 million Pantene shampoo account to Grey Advertising, New York, from FCB/Leber Katz Partners, New York, citing competitive conflicts with the Leber Katz's Colgate business. P&G had inherited the agency when it bought Richardson-Vicks in 1985.

P&G's decreased measured ad spending coincides with what observers said is at the low-point of a new-product introduction cycle. The company this year concentrated advertising and marketing efforts on product reformulations, packaging improvements and line extensions of established brands. Such initiatives, the company said, "reached a record level throughout the domestic divisions this past year, contributing new unit volume and market share growth."

New unit volume records were set in both U.S. consumer and industrial divisions, the company said. Unit volume rose 4%, which analysts consider a "strong growth rate" for P&G. Domestic net earnings from operations jumped 26% to $864 million from $686 million the previous year.

"It's spooky," said Jack Salzman, household-products analyst with Goldman Sachs & Co., New York. "It's like everybody decided they'd wash more, brush their teeth more and buy brand-name goods."

However, Kidder, Peabody & Co. analyst Jay Freedman noted that the "3Ds," analysts' shorthand for P&G's core detergent, diapers and dentifrice businesses, are losing some of their historical importance to the company. The reason, he said, is those products face more competition and because P&G competes in far more categories than it used to.

The three categories still are essential to P&G's financial health, though. Disposable diapers alone account for 16% of all sales in fiscal 1988 and in the two previous years. Combined, the 3Ds bring in a third or more of all sales and 45% of profits, analysts said.

Yet, perhaps in recognition that it cannot survive solely on profits from those products, P&G during fiscal 1988 made significant moves to expand its presence outside its core businesses, particularly international expansion and in pharmaceutical marketing.

In December, the company finalized its acquisition of the Mainz, West Germany-based Blendax Group, establishing a major presence in the European health and beauty-care products market, and created a joint venture with a Hong Kong company to sell soaps, detergents and other products in mainland China. And in August, the company announced it would acquire Perfumarias Phebo, one of Brazil's top personal-care companies. Brazil is seen as the key to expanded distribution throughout Latin America.

To bring new OTC and prescription drugs to market more quickly, P&G set up several joint ventures with pharmaceutical companies including Upjohn Co., Gist-brocades of the Netherlands, Syntex Corp. and Meridian Diagnostics Inc.

The company also showed confidence in the marketability of olestra, its revolutionary fat substitute awaiting government approval, electing Charles Lieppe as VP in charge of the olestra division. The company said establishing a separate olestra division is "a more formal way of assessing olestra's potential." Initially, P&G plans to use the food additive in its Puritan and Crisco cooking oils and shortenings and Pringle's potato chips.

P&G backed its Citrus Hill franchise with more than $17.2 million in measured media spending in 1987, a 12% increase from the previous year. P&G is the third-ranked marketer in the $3 billion orange juice category.

In March 1988, P&G embarked on an adventurous new strategy for Folgers, replacing 16-ounce regular Folgers coffee with a 13-ounce "fast roast" Folgers, made by roasting coffee beans "faster and hotter" which allows more flavor to be extracted from each bean; as a result, P&G uses fewer green coffee beans per can and can reduce the list price.

General Foods Corp., P&G's main competitor, has a 34.6% share of the $4.8 billion national coffee market. P&G is closing fast, with a 31.4% share, up from 28.2% share a year ago, according to P&G sales materials. In soluble (instant) coffee, GF holds a 39.5% case share, down from 40.8%, while P&G holds a 21.3% share, up from 19.7%.

P&G supported the Folgers line with more than $44 million in measured media spending, a 16% increase. National advertising is themed "The best part of wakin' up is Folgers in your cup."

The Pringle's potato chip line, supported with $14 million in measured media spending, added four new flavors: Original Idaho Rippled, French Onion Idaho Rippled and Taco 'n Cheddar Idaho Rippled and Light Ranch. The brand has grown to about a 7% share of the potato chip market, compared with Frito-Lay's 50% share. Pringle's low-oil varieties account for about 25% of the brand's total $200 million in retail volume.

P&G rolled-out four new gourmet cake mixes under its Duncan Hines label called Tiara Desserts and introduced Vienna White and Praline Crunch into the Duncan Hines brownie mix line. P&G ranks second to Pillsbury Co. in overall baking mix sales (including cake, brownie, muffin and bread mixes) and second to General Mills' Betty Crocker brand in the $170 million brownie mix line. P&G supported its Duncan Hines line, excluding ready-to-eat cookies, with $15.3 million in measured media, down 15%.

In the $860 million cooking oil category, P&G's category leading Crisco has a 22% share and Puritan, 6%. Both Crisco oil and shortening were supported with $19.3 million in measured spending, down 32%, while Puritan's media spending was slashed 71% to $3.2 million.

The introduction of Sparkle Crest for Kids helped maintain P&G's 40%-plus share of the $1 billion dentifrice category. P&G is the leading toothpaste marketer; Colgate-Palmolive Co.'s Colgate is second with a 30% share, followed by Beecham Products, 9.5% with Aqua-Fresh, and Lever Bros., 11% evenly divided between Aim and Close-Up.

The Big 4 toothpaste companies concentrated on segmenting the toothpaste category this year, with P&G alone marketing more than 38 various sizes and flavors of Crest. P&G supported Crest regular, kids and Tartar-Control with $39.9 million in measured media spending, up 26%, primarily on network and spot TV. One campaign for new Sparkle Crest for Kids, featuring animated dancing Sparkles, is themed "It will make you rush to brush." A separate campaign themed "The Dentist's Choice" broke in mid-June for its reformulated tartar-control formula Crest. The campaign emphasizes how regular use of the improved Crest shortens the length of dental check-ups.

Measured media support behind Scope totaled $18.6 million, up 21%, as the company continued a high-level of introductory support for new Peppermint Scope. Scope has a 24% share of the $600 million category, trailing the 28.9% share for Warner-Lambert's Listerine.

P&G said its volume and market share were up significantly in the $3.5 billion laundry detergent category because of its category-leading Tide, which the company said shipped a record number of cases. While Tide powder and liquid are the No. 1 detergents with shares of 17% and 10%, respectively, P&G's total share of the category slipped about 1 percentage point to 51.3%. P&G supported Tide with only $20 million in measured media spending, down 51% from 1987.

In February, P&G began testing Tide with Bleach, positioned as the "toughest-cleaning Tide," in Colorado, parts of Nebraska, North Dakota and Wyoming. The detergent, which "combines the power of Tide with color-safe bleach" is P&G's response to Clorox Co.'s entry into the detergent category with Clorox Super Detergent.

P&G also introduced a reformulated lemon-scented Dash powder and liquid, supporting the new brand with more than $8 million in measured media spending. It began testing Lemon Fresh Comet liquid chlorine, P&G's second entry into the $600 million-plus bleach category. The company already markets Biz powdered bleach, which holds an 8% share.

P&G in mid-1988 ended testing of Bold Washer-Dryer Paks, prepackaged detergent pouches that contained dryer-activated fabric softener, and discontinued its market test of Tide Multi-Action Sheets.

In the $443 million automatic dishwasher detergent category, P&G's Cascade is the leading brand with more than a 47% share. However, in the growing $140 million liquid segment, analysts said Colgate's Palmolive Automatic is the leading

RUTH SKLAR
ASSOCIATES, INC.
executive search
professionals

475 Park Avenue South
New York, NY 10016
(212) 213-2929

Celebrities
For Advertising

WE DO MORE THAN SAVE YOU MONEY

- Creative strategy for the best deal possible
- Detailed follow-through to completion
- Merchandising the celebrity to excite dealer groups
- Ballpark costs within 24 hours saves time and effort
- Confidential negotiations on your behalf
- Creative input for the most credible celebrity
- Production available upon request
- Full disclosure contracts

THE REIBOLD COMPANY, INC.
(Celebrity Packagers for Advertising Since 1969)
3410 N. KNOLL DRIVE, L.A. CA. 90068
(213) 462-3209 Telex 69-16-99 HBS-LSA

liquid detergent with a 41.3% share. Lever's Sunlight, in its first full year of national distribution, has a 31.5% market share, while liquid Cascade has 25.9%.

P&G added a lemon-scented Cascade liquid variety this year, and supported both lemon and regular-scented liquid Cascade with $13.3 million in measured media spending. Cascade powder received only $4.2 million, down 76%.

In March, P&G introduced April Fresh Downy fabric softener sheets and rolled out Downy SunRinse Fresh liquid fabric softener. P&G is the category leader, with Bounce dryer sheets holding a 38.4% share of the nearly $300 million segment, and Downy commanding more than a 52% share of the $407 million liquid fabric softener segment. P&G backed Downy with more than $18 million in measured spending, up 4.8%, while spending for Bounce declined 10% to $15.4 million.

P&G's share of the $660 million light-duty dishwashing detergent category rose 2 percentage points to 52%, with Dawn the market leader at 22%. P&G this year introduced Mountain Spring Dawn, but measured media spending dropped 34% to $9.1 million. Colgate-Palmolive is the second-leading light-duty detergent marketer with a 22% share.

P&G in October will introduce nationally Luvs Deluxe diapers designed differently for boys and girls. Called Luvs Deluxe for Boys and Luvs Deluxe for Girls, the thin, superabsorbent disposable diapers have been hot sellers in Midwestern test markets since they were introduced in October 1987. The rollout will be backed by a $15 million national multimedia campaign.

The introduction is viewed as bolstering P&G's 54% share of the $3.2 billion U.S. disposable diaper category. Archrival Kimberly-Clark Corp.'s Huggies holds a 34% share, up four percentage points. P&G's Ultra Pampers currently has a 39% share and Luvs, 15%, equal to its 1984 standing, the year before P&G launched its all-out effort to strengthen its position.

P&G supported Ultra Pampers with $27 million in measured media, up 5.3%, while Luvs got nearly $20 million, up 28% from 1986.

P&G's Always feminine-protection line received $17 million in measured media, a 23.3% drop. However, the brand gained four percentage points, and now holds a 24% share of the $1.2 billion category. Johnson & Johnson is the category leader with a 34.6% share, primarily due to the 19% share held by the Stayfree brand.

P&G's measured media support for its other paper products—Charmin bathroom tissue, Puffs facial tissue and Bounty paper towels—all showed virtually no measured media spending support. However, P&G commands more than a 26% share of the $2.1 billion toilet tissue category with its Charmin and White Cloud brands, and its Bounty paper towel is the leader in the $1.47 billion category.

P&G commands a 30.6% share of the almost $1 billion shampoo category, with Head & Shoulders again the category leader with more than a 10% share. P&G introduced improved packaging and formulas for the Vidal Sassoon haircare line, and supported it with more than $11 million in measured media support. Pert, restaged as Pert Plus, a combination shampoo, and now has a 5.4% share, up from 2.7% in 1986. Pert Plus was backed with more than $13 million in measured media, up 140%.

P&G's Bain de Soleil brand in 1988 redefined the fashion tan in advertising, acknowledging consumer concerns about overexposure to the sun. Print, radio and TV ads introduced the brand's super sunblock with a high sun-protection factor of 30. Emphasizing Bain de Soleil's range of protection and moisturizing benefits, the ads said, "In St. Tropez, women have no fear of exposure . . . For a luxurious tan that's never at the expense of beautiful skin, indulge in Bain de Soleil." The brand, supported with $2 million in measured media in 1987, has an estimated 8% share of the $450 million suncare category. Schering-Plough, marketer of Tropic Blend and Coppertone, leads the category with a combined 35% share.

In February, P&G filed a petition with the FDA to revised its listing of Metamucil's laxative benefit to include cholesterol reduction. Analysts say if P&G is successful in amending Metamucil's benefit listing, the brand will add to its current 60% share of the $170 million bulk-laxative category. Metamucil, supported with $9.4 million in measured media, is far ahead of Citrucel, marketed by Merrell Dow's Lakeside Pharmaceuticals unit, and Fiberall, the Ciba-Geigy product recently bought from S.C. Johnson & Son.

This summer, P&G began the national introduction of Maximum Strength Pepto-Bismol, a line extension of its category-leading Pepto-Bismol stomach remedy brand. Pepto commands an 18% share of the $360 million antacid category, leading Norcliff-Thayer Inc.'s Tums at 13%. The brand received more than $20 million in measured support, up 7.2%.

Vicks cough-cold remedies received $18.3 million in measured media, up 14%. Nyquil holds a leading 12% share in the $1.2 billion category for cough, cold and sinus remedies.

P&G in October, 1987, came under fire by the National Association of Black-owned Broadcasters, who were dissatisfied with the company's limited use of minority media. In response, P&G purchased "a major block" of time on the Black Entertainment Network, and created a position for an assistant manager-target marketing, to coordinate ad placement with black-owned media.

John S. Scott, chairman of the board of Richardson-Vicks Inc. retired as an officer of R-V and from P&G's board of directors in December 1987. P&G said there will be no successor named to that position.

Charles C. Carroll was named vice-president-business development, health and beauty care. Bengt E. Braun, general manager-dishwashing products, packaged soap and detergent division, was named to succeed Mr. Carroll as manager, bar soap and household cleaning products division.

PROCTER & GAMBLE CO.
P. O. Box 599
Cincinnati, Ohio 45201
(513) 983-1100

Marketing personnel: L.A. Pritchett, vp-sales; J.R. Cucci, sales mgr-beverage div; B.A. Kindem, sales mgr-beauty care div; W.J. Lewis, sales mgr-bar soap & household cleaning prods div; W.A. Galloway, sales mgr-packaged soap & detergent div; A.H. Keller, sales mgr-food prods div; S.L. Zimbler, sales mgr-health & personal care div; Harold Tecklenberg, sr vp-Norwich div; J.F. Orr, sales mgr-Crush prods div; L.R. Love, genl adv mgr; R.L. Wehling, genl mktg svcs mgr; Barbara Thomas, ad mgr-beverage div; A.G. Lafley, genl category mgr-packaged soap & detergent div; M.A. Thompson, genl category mgr-beauty care div; M.A. Collar, genl category mgr, health & personal care div; J.H. Bess, adv mgr-paper prods div; J.D. Jones, genl category mgr, paper prods div; C.J. Bolek, mgr, mkt rsch dept; V.O. Hamilton, div mgr-genl adv dept.

Brands/services by agency of record:

Bold
Cheer
Chloraseptic spray and throat lozenges
Era Plus
Head & Chest cold remedy
Lava, Lilt shampoo & conditioner
Lilt home permanent
Luvs Deluxe disposable diapers
Secret
Gleem
Pert
White Cloud
Pepto-Bismol
Tempo
Prell shampoo & conditioner
Ad agency: Leo Burnett USA, Chicago: Mary Bishop, sr vp-client svcs dir.

■

Crest
Crisco shortening
Ad agency: Burrell Advertising, Chicago: Linda Pharr, vp-mgmt super; Fay Ferguson, acct exec.

■

Vicks Formula 44
Complete
Clearasil
Fasteeth
Fixodent
NyQuil
Lifestage vitamins
Cremacoat cough medicine
Vaporub
Victor's Cough drops
Vicks Inhalers
Sinex
Dawn
Ivory Snow
Dash
Bounce
Crest
Scope
Norwich aspirin
Always
Attends
Charmin

No purchase necessary.

ENTRY CERTIFICATE

FAC
SERVICES GROUP
A division of Frankel & Company

TOTAL·SERVICE
·SWEEPSTAKES·

Everyone's a winner!

Find out how you can win big with your next sweepstakes promotion! Complete and mail this entry certificate today or call 1-800-777-1233. You'll automatically win a free Sweepstakes Information Kit from FAC Services Group—the experts in sweepstakes planning, administration and services.

With your free Sweepstakes Information Kit, you'll learn how FAC Services Group has conducted hundreds of successful sweepstakes and games nationwide for a variety of clients.

And you'll see how we can do the same for you: From rules and regulations, bonding and registration...to prize acquisition, entry processing, and winner notification and verification.

name
title company
address
city state zip
( )
business phone number

Mail this entry form today to: FAC Services Group, 834 North Church, Elmhurst, IL 60126-1019
Or call toll-free 1-800-777-1233.

Pampers
Ad agency: D'Arcy Masius Benton & Bowles, New York: Tom Carey, mng dir; Peter Rosow, sr vp-dir of acct mgmt.

■

Ivory shampoo & conditioner
Wondra
Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Clayton Wilhite, mng dir.

■

Professional adv of Attends
Crest
Crest rinses
Head & Shoulders
Peridex
Pepto-Bismol
Puffs Plus
Safeguard
Pampers
Norwich
Ivory Snow
Ad agency: Medicus Intercon International, New York: Lawrence Lesser, chmn.

■

Downy liquid and dryer sheets
Joy
Crisco & Crisco cooking oil
Jif
Puritan cooking oil
Pantene haircare line
Ad agency: Grey Advertising, New York: Neil Kreisberg, Clark Montgomery, exec vps.

■

Bounty
Zest
Ad agency: Jordan, McGrath, Case & Taylor, New York: Alice Bond, vp-mgmt super.

■

Professional adv
Folgers coffee
Ivory soap
Ad agency: Klemtner Advertising, New York: Robert C. Erwin, vp-acct super.

■

Citrus Hill Plus Calcium
Denquel
Peridex
Pediatric Formula 55
Ad agency: Lally, McFarland & Pantello, New York: Ron Pantello, president.

■

Cleaning prods for food service
Coin vending
Ad agency: Ketchum/Mandabach & Simms, Chicago: Lee Lippman, exec vp.

■

Crush
Folgers regular and decaffeinated coffee
Hires
Sun-drop
Puffs Plus
Citrus Hill Select
Lite Citrus Hill
Certain
Duncan Hines Baking Mix line
Ad agency: N W Ayer, New York: Warren E. Albright, exec vp.

■

Food service & lodging prods
Shortening oils
Coffee
Bar soap & amenities
Ad agency: Northlich Stolley Lawarre, Cincinnati: John Bloomstrom, vp-acct super.

■

Sassoon shampoos

Conditioners
Rinses
Ad agency: Peter Rogers Associates, New York: Peter Rogers, president; Leonard Favara, creative dir.

■

Bain de Soleil suncare line
Ad agency: Rosenfeld, Sirowitz, Humphrey & Strauss, New York: Shannon Eadom, acct super.

■

Tide
Tide liquid
Tide unscented
Cascade
Camay
Top Job
Comet
Comet Liquid
Dreft
Ivory bar soap
Ivory liquid soap
Oxydol
Dreft
Solo
Industrial chemical trade adv
Ad agency: Saatchi & Saatchi DFS Compton, New York: Paula Forman, exec vp-exec mgmt dir.

■

Percogesic analgesic
Dramamine
Icy Hot
Ad agency: Slater Hanft Martin, New York: Jerry Martin, chmn-mgmt super.

■

Biz
Mr. Clean
Coast
Comet liquid bleach
Head & Shoulders
Metamucil
Ad agency: Tatham-Laird & Kudner, Chicago: Robert Hielscher, sr partner, dir-client svcs.

■

Oil of Olay
Pringle's
Safeguard
Sure
Spic 'n Span
Gain
Banner bathroom tissue and paper towels
Spic 'n Span Pine
Ad agency: Wells, Rich, Greene, New York: Richard Hopple, president-worldwide.

RANK
78

Prudential Insurance Co. of America

Newark, N.J.
ADVERTISING: **$111.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	29,019	34,146	(15.0)
Earnings	867	1,437	(39.7)
■ Division sales	**1987**	**1986**	**% chg**
Premiums, annuities	17,875	20,382	(12.3)
Investment income	8,855	8,160	8.5
Broker-dealer revenue	2,674	2,182	22.5
Other income	(385)	3,422	(111.3)

WINDHAM HILL MUSIC

Photo by John F. Cooper

NEW MUSIC
TO ENHANCE THE IMAGE

Existing music and original scores for:
Commercials
Film
Television
Video

Contact: John Williams Tel: 415 329-0647 Fax: 415 329-1512

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	4,503	2,196	105.1
Business pub	775	269	188.3
Magazine	16,082	11,097	44.9
Newsp supp	3,464	1,579	119.4
Outdoor	542	178	204.0
Network TV	48,597	28,702	69.3
Spot TV	2,126	3,574	(40.5)
Network cable	3,808	3,202	18.9
Network radio	1,775	237	649.6
Spot radio	647	1,288	(49.8)
Measured	82,319	52,320	57.3
Unmeasured	29,000	18,000	61.1
Total	111,319	70,320	58.3

Diversification, exemplified by the "Moving Rock" corporate ad campaign running on network TV, enabled the Prudential Insurance Co. of America to increase total consolidated assets by $7.2 billion in 1987.

For the first time, Prudential in 1987 advertised its consumer financial services products as part of a corporate campaign on TV, print and radio which helped account for a 57% increase in total advertising during 1987.

Prudential spent $26 million on its corporate campaigns in 1987, twice the 1986 budget, according to BAR/LNA. This figure also includes advertising for various insurance and financial services, said company spokesman Scott Mason.

Of Prudential's total 1987 ad spending estimated by AA at $111.1 million, some $82.3 million of that was in 11 measured media, compared to $52.3 million in 1986.

The company's 1987 "Moving Rock" and "Above and Beyond" ad campaigns, are seen by industry observers as a prime example of recent insurance company efforts to reposition themselves as broad-based financial services companies. The latter in particular stresses customer service above individual products. Besides being the largest U.S. life insurer, Prudential is the world's largest non-bank corporation with $141 billion total consolidated assets in 1987.

Beyond the money spent on financial services in the corporate campaign, Prudential put an additional $6.9 million into consumer financial services advertising in 1987, more than half of it on network TV. This reflects a major increase over the $211,000 spent for financial services advertising in 1986.

On an individual service basis, Prudential also spent heavily in 1987 on life insurance ($2.6 million). The only increase in spending over 1986, however, was for automobile insurance, up 75%. Sales of automobile insurance policies, however, actually dropped in 1987, largely the result of rate increases, according to the company. Total life insurance sales were up 5%.

Diversification helped Prudential remain strong despite Black Monday. Already one of the largest U.S. real estate investors, it moved into the $13.5 billion residential real estate market in the spring of 1987, with the formation of Prudential Real Estate Affiliates Inc., headquartered in Southern California. Prudential began supporting its burgeoning network of real estate broker franchises with a $61,400 ad budget, most of it going to magazines.

New capital investments were at an all-time high of $4 billion in 1987, a 43% increase. Largest among 135 separate financings funded through Prudential Insurance Co. affiliates was a $700 million leveraged buyout of CBS Magazines. It was the largest unsecured leveraged buyout ever financed by Prudential, and at the time was the largest acquisition in the magazine industry's history.

The stock market crash contributed to a troublesome year for one subsidiary, Prudential-Bache Securities Inc. The company reported an after-tax loss of $164 million, despite a $14.5 million ad budget, up 51% from 1986.

Prudential's rapidly expanding network of group health and dental-care programs, supported in 1987 by $2.1 million in advertising, has become the largest and most widespread system of its kind in the U.S. New premiums and fees from sales of life insurance and health coverage to more than 2,000 groups exceeded $1.2 billion, a 24% increase over 1986.

Sales of medical-care coverage for individuals and small groups were lower in 1987, affected by rising premiums. However, Prudential/PruCare Plus, a new product offered to companies with 6 to 19 employees, helped generate a $10 million increase in total premium income from health coverages for small groups. The plan combines the cost control of a health maintenance organization with the freedom of choice of traditional major medical programs.

PRUDENTIAL INSURANCE CO.
OF AMERICA
Prudential Plaza
Newark, NJ 07101
(201) 877-6000

Marketing personnel: Scott C. Mason, vp-adv; Gabrielle K. Shanin, dir-adv; Mary Lou, Sack, Vickie J. Snoy, Anne Bushnell, adv mgrs; Robin Ryerson, Karen Heid, assoc adv mgrs.
Brands/services by agency of record:
Corp, life, property & casualty
(homeowners & auto)
Insurance brokerage
Prudential Asset Mgmt Group
Prudential Health Care System
Prudential Realty Group
Prudential Reinsurance Co.
Retirement planning
Small business
Ad agency: Backer Spielvogel Bates, New York: Steve Seiter, exec vp; Dennis Zolnierzak, mgmt rep; Richard Driscoll, Deborah Radcliff, vps-acct supers; Stacy Baron, Amy Portnoy, Harry Tower, acct execs.

■

Prudential-Bache Capital Funding
Prudential-Bache Securities
Ad agency: Backer Spielvogel Bates, New York: Sharon Mosse, exec vp; Richard Kornhauser, vp-acct super; Laurie Levy, acct exec.

■

Prudential Real Estate Affiliates
Ad agency: Backer Spielvogel Bates, Irvine, Calif.: Peter Smaha, vp-acct dir; Keren Potter, sr acct exec.

RANK
27

Quaker Oats Co.

Chicago
ADVERTISING: **$ 344.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	5,330	4,421	20.6
Earnings	256	244	4.8
■ Division sales	**1987**	**1986**	**% chg**
U.S. grocery	3,322	2,830	17.4
Intl grocery	1,186	991	19.7
Fisher Price	822	597	37.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	2,032	1,671	21.6
Business pub	1,351	1,748	(22.7)
Magazine	26,147	18,654	40.2
Newsp supp	789	233	238.6
Outdoor	102	0	NA
Network TV	104,107	88,322	17.9
Spot TV	32,877	39,939	(17.7)
Network cable	3,156	2,356	34.0
Network radio	1,212	1,450	(16.4)
Spot radio	6,641	3,847	72.6
Measured	178,414	158,219	12.8
Unmeasured	166,000	148,000	12.2
Total	344,414	306,219	12.5

Quaker Oats Co. spent most of the past year fighting off unfriendly neighbors.

Not only did Quaker encounter aggressive competitors in several key businesses—including hot cereals, pet foods, frozen breakfasts and sports beverages—but in August Wall Street was rife with speculation that the company faced an unfriendly takeover attempt by Philip Morris Cos. On top of that, rumors circulated all year that Chairman-CEO William Smithburg was being wooed by other major food companies, including Pillsbury Co.

In trying to deflect its competition, Quaker increased its worldwide ad and marketing spending to $1.23 billion in fiscal 1988, up 28.4% from the previous year. That comes close to matching the 36.6% increase posted in fiscal 1987. Ad and merchandising expenditures for the U.S. and Canadian grocery products division, Quaker's largest business, were up 29%, to $853 million.

AA's estimate of $344.6 million for Quaker advertising is only for U.S. advertising, with 52% of that spent in measured media.

The marketing investment paid off in a 21% increase in worldwide sales from continuing operations, which rose to $5.33 billion. Operating income was up 15%, to $518 million.

The most bitter battle has been fought over oatmeal. During the 1987-88 hot cereal season, Quaker spent an estimated $46 million to defend its leading 68% share of the $606 million market, which SAMI/Burke said increased from $500 million at the start of the battle. Themed "It's the right thing to do," Quaker's TV and print campaign starring actor Wilford Brimley won the Grand Effie for marketing effectiveness from the New York chapter of the American Marketing Association.

This year, Quaker and General Mills are continuing the oatmeal war. General Mills with an 8% share is introducing Oatmeal Swirlers and upping its marketing budget to an estimated $35 million. Quaker has rolled national with Quaker Extra, an instant oatmeal fortified with 10 vitamins and minerals. Quakers also boosted its 1988-89 hot-cereal marketing budget to nearly $60 million.

With most of its cereal attention focused on oatmeal, Quaker basically kept even with its rivals in the $5.5 billion ready-to-eat cereal category; its fourth-place share rose to 7.6% in 1987 from 7.4% the previous year. Kellogg's 42% share remained the same over two years, while General Mills share dropped to 23.6% in 1987 from 24.1% and General Foods share increased slightly to 12.1% from 12%. Ralston trailed Quaker with 6.1% down from 6.2% in 1986.

Its only new product was Quaker Oat Squares, rolled nationally after a Midwestern test. This fall, Quaker is launching major new ad efforts for its Life and 100% Natural cereals. It also will add to its flagship Cap'n Crunch line with Christmas Crunch, a holiday product featuring red and green crunchberries. Bayer Bess Vanderwarker, Chicago, handles Cap'n Crunch.

Quaker Oat Squares are being marketed with a new slogan: "From the man who knows breakfast best." Reflecting that commitment to being the industry's leader in breakfast foods, Quaker shored up its lackluster Aunt Jemima line in July with the industry's first reduced-calorie frozen pancakes and pancake mix, under the Aunt Jemima Lite label. New frozen breakfast products from Campbell Soup Co. and ConAgra's Banquet division also damaged Aunt Jemima's position; Home-style Breakfasts were discontinued after a disappointing yearlong test.

Aunt Jemima holds a 31% share of the $526 million market for breakfast mixes and syrups, and a 28.7% share of the $337 million market for frozen breakfasts. Measured spending for the Aunt Jemima line, handled by J. Walter Thompson, Chicago, rose 80%, to $15.8 million.

Quaker faced a less visible but just as serious challenge in pet foods. Through its 1986 purchase of Anderson, Clayton & Co., Quaker became the nation's No. 2 pet-food marketer, with a 14% share, and leader in the $200 million semi-moist dog food category. But category leader Ralston Purina Co., which lost out in the bidding for Anderson, Clayton, quickly put Quaker on notice; Ralston rolled national last year with Grrravy, a parity product for Quaker's newly-acquired Gravy Train, and Moist & Meaty, a dead ringer for Quaker's Ken-L Ration Moist 'n Beefy. Ralston has an estimated 27% share of the pet-food market.

Quaker responded by relaunching Cycle canned and dry dog foods in spring with new names, packaging, formulas and ad campaigns; Quaker did not actively advertise Cycle in 1987. In July, Quaker followed with an estimated $15 million relaunch of Gravy Train. Measured spending for Gravy Train was cut in half, to $5.6 million, during the year before the relaunch. Chiat/Day, New York, handles both brands.

Quaker struggled with distribution problems of its King Kuts premium canned dog food, which chalked up sales of $35 million in its first year.

Even its largest and most successful brand, Gatorade, is facing new challenges. With annual sales of $300 million and an estimated 90% national share of the sports-drink market, Gatorade has been unscarred by its numerous regional and occasional national challengers. But after General Foods announced plans to test Kool-Aid Sports Koolers—aseptically packaged and targeted to kids—Quaker quickly rolled national with aseptically packaged GatorBox, supported by ads aimed at mothers and children.

In the past nine months, Quaker also has added a fifth flavor, Citrus Cooler, to the Gatorade lineup, and rolled national with GatorLode, a powdered carbohydrate-loaded drink. Total measured spending for Gatorade increased 56.9%, to $20 million, in 1987. Bayer Bess Vanderwarker handles.

Quaker devoted a large chunk of ad and promotional dollars to a $26 million summertime tie-in with Lucasfilm's "Willow." The promotion, which included TV, free-standing inserts and promotional offers, tied in a record number of Quaker brands, from Golden Grain side dishes to cold cereals to Aunt Jemima products.

Quaker has high hopes for Golden Grain, and this year launched a new ad campaign from Chiat/Day, San Francisco, to help what it calls "undermarketed" brands. Sales were up 14.7% in 1987. Golden Grain holds about one-third of the $320 million rice side dish category and 28% of the noodle side dish category.

The Fisher-Price division, Quaker's only remaining nonfood business, continues to be a stellar performer in the rollercoaster toy industry. Sales rose 38%, to $821 million, with operating income up 63%, to $106 million. The division benefited from strong sales of its core infant products, plus a good reception for its Fun With Food playfood line. Despite a lukewarm reception for the PXL 2000 camcorder, its first toy aimed at preteens, Fisher-Price in August introduced Pocket Rockers, kid-size tape players. Spending for the division was $35 million, up 31.6% from 1986.

In February, C. Clarkson Hine was named VP-advertising, filling a slot that had been open for nearly six months. Mr. Hine came to Quaker from D'Arcy Masius Benton & Bowles, Chicago, and replaced Charles Decker, who last year became exec VP of Hill, Holliday, Connors, Cosmopulos, New York.

QUAKER OATS CO.
Merchandise Mart Plaza
Chicago, Ill. 60654
(312) 222-7111

Corporate personnel: William D. Smithburg, chmn & ceo; Frank J. Morgan, president-coo.

U.S. Grocery Products

Marketing personnel: C. Clarkson Hine, vp-adv; J. Byron Felter, group vp-sales; Max M. Lomont, vp-art & packaging; Katherine E. Smith, vp-consumer affairs.

U.S. Foods

Marketing personnel: James R. Tindall, exec vp; Lawrence K. Hathaway, president-cereals div; Peter J. Vitulli, vp-prod mgmt, ready-to-eat cereals; Kenneth J. Fedor, president-convenience foods div; Barbara R. Allen, vp-prod mgmt, Aunt Jemima.

Diversified Grocery Products

Marketing personnel: Douglas W. Mills, exec vp; Verinder K. Syal, president-Golden Grain; Serafino Posa, vp-prod mgmt, Golden Grain; George J. Yapp, president-Pet Foods div; Nancy Pitz, vp-prod mgmt, Pet Foods div; Russell L. Jones, president-food service; Paul Baron, vp-mktg, food service; John R. Blair, vp-mktg rsch.

Grocery Specialties

Marketing personnel: Michael J. Callahan, exec vp; John Breuer, vp-prod mgmt; Bill Schmidt, vp-sports mktg; U.B. Shockley, president-Wolf Brand prods.

Brands/services by agency of record:

Celeste pizza
Ad agency: Backer Spielvogel Bates, New York: Paul Mesches, acct exec.

■

Cap'n Crunch
Crunchy Bran
Gatorade
Oh!s
Kretschmer Wheat Germ
New prods
Ad agency: Bayer Bess Vanderwarker, Chicago: Brian Goodall, sr vp, dir-acct mgmt.

■

Industrial cereals
Mother's Oats
Ad agency: BBDM Advertising, Chicago: Richard B. Sanderson, exec vp-dir.

■

Wolf brand prods
Quacker corn goods & grits
Van Camp's pork & beans
Specialty prods
Ad agency: Berry-Brown Advertising, Dallas: Robert E. Berry, chmn.

■

Gaines dog foods
Ad agency: Chiat/Day, New York: Ira Matathia, Lauren Press, Dick O'Connell, acct mgrs.

■

Rice-A-Roni
Noodle-Roni
Ad agency: Chiat/Day, San Francisco: Matthew Chrisci, sr vp-mgmt super.

■

Quaker Puffed Wheat
Quaker Puffed Rice
New prods
Ad agency: McCann-Erickson, New York: Tom Jasinski, mgmt rep.

■

Quaker Oats
Instant Oatmeal
Quaker Extra
Life
100% Natural Cereal
Quaker Oat Squares
Ad agency: Jordan, McGrath, Case & Taylor, New York: Bruce Guidotti, mgmt super.

■

Granola Dipps
Chewy Granola Bars
Aunt Jemima breakfast prods
Ken-L Ration dog foods
Rice Cakes
New prods
Ad agency: J. Walter Thompson USA, Chicago: Alan Moser, sr vp-group acct dir.

Fisher-Price Toys
East Aurora, N.Y.

Marketing personnel: R. Bruce Sampsell, president; David B. Fisher, vp-sales & mktg.

Brands/services by agency of record:

Fisher Price toys
Ad agency: J. Walter Thompson USA, Chicago: Matthew Kurz, vp-acct dir.

■

New prods
Ad agency: Backer Spielvogel Bates, New York: Sharon Lai, acct exec.

RANK
21

Ralston Purina Co.

St. Louis
ADVERTISING: **$ 436.6** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	5,868	5,515	6.4
Earnings	523	389	34.4
■ ***Division sales***	***1987***	***1986***	***% chg***
Human, pet foods	3,945	3,694	6.8
Agri prods	639	1,435	(55.5)
Other prods	1,284	386	232.6

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Newspaper	2,467	2,512	(1.8)
Business pub	344	456	(24.5)
Magazine	18,471	24,653	(25.1)
Newsp supp	96	329	(70.8)
Farm pub	1,143	1,229	(7.0)
Outdoor	513	547	(6.2)
Network TV	102,545	97,572	5.1
Spot TV	25,152	33,532	(25.0)
Network cable	4,342	3,245	33.8
Network radio	4,963	5,944	(16.5)
Spot radio	2,570	8,013	(67.9)
Measured	162,606	178,031	(8.7)
Unmeasured	274,000	300,000	(8.7)
Total	436,606	478,031	(8.7)

Diversity appears to have energized Ralston Purina. From its inception nearly a century ago as an animal feed producer to its acquisition of Continental Baking Co. and Eveready Battery Co. in the mid-1980s, Ralston Purina has transformed itself into a major player in the consumer marketplace.

In no corporate division was this more evident last year than in Eveready Battery Co. During its first full year under the Ralston Purina banner, Eveready posted sales in excess of $1.1 billion, solidifying its first-place position in the highly-competitive battery industry.

During 1987, Eveready switched pitchers for its lucrative Energizer line, dropping Mary Lou Retton for Australian celebrity Jacko, whose loud, brash Energizer commercials were already a hit Down Under. Ted Bates International's George Patterson Pty., Sydney, produced the Australian ads, but DDB Needham Worldwide, Chicago, handled the $25 million account in the U.S.

DDB Needham also handled the print and TV campaign for Eveready's The Conductor, a new line of alkaline batteries introduced this past February. The premium-priced, high-output batteries are designed specifically for use in audio equipment.

In April 1988, Ralston Purina's in-house sales promotion division, Check-Mark, introduced a print campaign for Eveready Classic, the renamed line of traditional multi-purpose batteries. Ads were based on the theme "The world's choice for dependability," and initially appeared in the April issues of major consumer magazines.

In the $5.6 billion domestic pet foods industry, Purina led the pack with a 27.3% market share. The company positioned itself vigorously in the medium- and premium-priced markets through the introduction of dog foods, Purina O.N.E.

Wall Street Calls Him A Giant.

We Call Him A Subscriber.

An impressive group, these Washington Post National Weekly Edition subscribers—about 70,000 nationwide whose passions are politics and power, who spend an average of 1.8 hours reading every issue, and whose profiles are testament to their leverage.
Politically Connected: 42,700 finance political parties, committees and candidates, 18,200 lobby elected officials, 5,500 are in government offices.
Influential: 17,500 are authors, 16,100 hold doctorates, 3,200 are chairmen, presidents or CEOs, a long list of media members.
Very Rich: average household net worth, $455,000, including 6,100 millionaire households. It's just a matter of semantics. We call them subscribers. You call them prime targets. And the first step to calling them yours is a call to Glen Fortinberry, Jr., 1-800/624-2367, ext. 6254.
Act now to reserve space in the big Fifth Anniversary Issue, Nov.7.

The Washington Post

NATIONAL WEEKLY EDITION
The Washington Post

DATA SOURCE: Erdos & Morgan, 1988

and Purina Pro Plan, dog snacks Cheesedawgs and Hearty Chews and cat food products Smart Cat and Unique.

Though in a battle with Quaker Oats for domination of the $3.5 billion dog food market, Purina's spending in seven measured media dropped to $39 million in 1987, down 26%. The heaviest promotional efforts were concentrated on Purina O.N.E., Purina Dog Chow, Grrravy and Purina Lucky Dog. Wells, Rich, Greene, New York, developed a campaign to reintroduce Purina's Butcher's Blend dry dog food via bacon-scented scratch 'n sniff newspaper inserts, while Scali, McCabe, Sloves, New York, created animated TV spots for Grrravy.

In cat foods, Purina conducted an agency review earlier this year, re-opening its dormant $8 million Meow Mix account. DDB Needham Worldwide, Chicago, got the final nod. Overall, however, Purina halved its expenditures in this area, spending $13.8 million in seven measured media vs. $27 million in 1986. Purina Cat Chow, Purina Kitten Chow, Smart Cat and Tender Vittles received the most promotional attention.

Continental Baking Co., makers of Wonder and Hostess products, recorded a boost in sales of 10.8%, attributed in part to the introduction of a dozen new products in regional and national markets over the past two years, including Wonder Light Bread, Hostess Choco-Bliss snack cakes and Bread du Jour.

Earlier this year, Continental added Hostess Pudding Cakes to its product list as part of an on-going effort to maintain dominance in the $1.25 billion snack cakes and pies market. Tatham-Laird & Kudner, Chicago handled the introductory campaign which consisted of inserts, print, radio and TV spots.

The introduction of new products which demanded heavy promotion resulted in a reshuffling of ad expenditures among Continental products. While spending in seven measured media more than doubled for Hostess Snack Cakes ($7.7 million in 1987 vs. $3.5 million in 1986) and Wonder Light Bread ($6.4 million in 1987 vs. $2.5 million in 1986), it fell for Hostess Pies ($2.1 million in 1987 vs. $7.8 million in 1986) and Wonder Bread ($4.6 million in 1987 vs. $6.2 million in 1986).

In all, Ralston Purina spent close to $31 million promoting Continental products last, down 7.8%.

Ralston Purina's fifth place ranking among cereal marketers remained unchanged in 1987. Ralston introduced several products over the past year starting with a new version of Freakies, a children's cereal it first marketed between 1974 and 1977. Wells, Rich, Greene, New York, the agency which handled the original account, was given the task of promoting the reincarnated Freakies, a pre-sweetened, multi-grain cereal with colored marshmallows.

Early this year Ralston introduced a second children's cereal, fruit-flavored Diner-Saurs, followed by the test-marketing of three new adult cereals—Bran News, Double Chex and Muesli. Avrett, Free & Ginsberg, New York, handled the Diner-Saurs introduction, Ally & Gargano, New York, Bran News and Wells, Rich, Greene, New York, Double Chex test markets assignment. Ralston's in-house agency, Centra Advertising, was given both the Double Chex and the Muesli national accounts.

Ralston's seven media measured spending on cereal products last year totaled $33.7 million, up 64.4%. Ad expenditures of $13.5 million for Chex cereals were nearly double the 1986 total, while spending on Chex Snack Mix promotions skyrocketed from $850,000 in 1986 to $5.2 million.

Chicken of the Sea tuna and pink salmon, with sales growing 6.5% to $290 million in 1987, received only $395,000 ad spending for pink salmon and virtually nothing for tuna.

RALSTON PURINA CO.
Checkerboard Square
St. Louis, Mo. 63164
(314) 982-1000

Grocery products

Corporate personnel: William H. Lacey, president; T.E. Touhill, vp, dir-adv, creative resources.

Marketing personnel: A.R. Bresler, vp-cat food group; T.E. Block, vp-dog food group; C.T. Carstentsen, vp-specialty dog group.

Brands/services by agency of record:

Hi Pro
Mainstay
New prods

Ad agency: Ally & Gargano, New York: Warren Dechter, exec vp.

■

Cat Chow
Kitten Chow
New prods

Ad agency: Avrett, Free & Ginsberg, New York: Larry Riegel, mgmt super.

■

Hearty Chews
Kibbles & Chunks
New prods
Purina Dog Chow
Purina 100 cat food

Ad agency: Centra Advertising Co., St. Louis: R.L. Anello, president, exec creative dir.

■

Meow Mix
New prods

Ad agency: DDB Needham Worldwide, Chicago: Charles Austin, mgmt rep.

■

Alley Cat
Benji's Moist & Chunky
Bonz
Chuck Wagon
Fit & Trim
New prods
Pets for People
Puppy Chow
Smart Cat

Ad agency: Gardner Advertising Co., St. Louis: John Fox, genl mgr.

■

Grrravy
New prods
Purina O.N.E.

Ad agency: Scali, McCabe, Sloves, New York: Stuart Epstein, exec vp-group mgmt rep.

■

Happy Cat
Lucky Dog
New prods

Ad agency: Tatham-Laird & Kudner, Chicago: Bob Janssen, mgmt super.

■

New prods
Tender Vittles

Ad agency: Wells, Rich, Greene, New York: Tom Hayes, exec vp.

■

Pro Plan

Ad agency: CheckMark, St. Louis: G.C. Cook, dir-promo & mktg svcs.

Branded Foods

Corporate personnel: W. Patrick McGinnis, president; Donald W. Rupprecht, president-Van Camp Seafood Co.

Marketing personnel: J.A. Nichols, vp, dir-mktg, branded foods group; J.E. Haley, vp-Van Camp Seafood.

Brands/services by agency of record:

Bran News
Ghostbusters cereal
New prods

Ad agency: Ally & Gargano, New York: Warren Dechter, exec vp.

■

Almond Delight
Diner-Saurs cereal

Ad agency: Avrett, Free & Ginsberg, New York: Larry Riegel, mgmt super.

■

COS Salmon
Double Chex
Honey Graham Chex
Hot Ralston
Muesli cereals
New prods

Ad agency: Centra Advertising Co., St. Louis: R.L. Anello, president, exec creative dir.

■

RyKrisp crackers

Ad agency: Martin, Marshall, Jaccoma & Mitchell, New York: George Jaccoma, exec vp.

■

Cookie Crisp
Fruit Islands cereal
New prods

Ad agency: Noble-Tennant Co., Chicago: Uwe Wende, vp-mgmt super.

■

Chex Snack Mix

Ad agency: Tatham-Laird & Kudner, Chicago: Bob Janssen, mgmt super.

■

Bran Chex
Freakies cereals
New prods

Ad Agency: Wells, Rich, Greene, New York: Tom Hayes, exec vp.

Continental Baking Co.
St. Louis, Mo.

Corporate personnel: J.W. Brown, chmn & ceo; J.A. Signore, president-coo.

Marketing personnel: M.S. Herrick, corp vp, dir-mktg, bread div; R.M. Proctor, corp vp, dir-mktg, cake div.

Brands/services by agency of record:

■

Beefsteak Rye
Home Pride bread
New prods
Variety Line

Ad agency: Grey Advertising, New York: Robert Schoenfein, exec vp.

■

Breakfast Bakeshop
Hostess Snack Cakes
New prods
Wonder Bread
Wonder Light

Ad agency: Tatham-Laird & Kudner, Chicago: Lisa Barnett, mgmt super.

Eveready Battery Co.
St. Louis, Mo.

Corporate personnel: J. Patrick Mulcahy, chmn & ceo; Phillip J. Kennedy, president-coo; G.L. Meffert, exec vp.

Marketing personnel: Susan O. Scott, vp, dir-primary batteries; John T. Sweetwood, vp, dir-lighting, new prods.

Brands/services by agency of record:

Eveready Heavy Duty batteries
New prods

Ad agency: Centra Advertising Co., St. Louis: R.L. Anello, president, exec creative dir.

■

Eveready flashlights
Rechargeables

Ad agency: Chiat/Day, Los Angeles: Randi Greenwald, mgmt super; Susan Sheldon, acct super.

■

Conductor
Energizer
New prods

Ad agency: DDB Needham Worldwide, Chicago: Charles Austin, mgmt rep.

■

New prods

Ad agencies: Levine, Huntley, Schmidt & Beaver, New York: Robert H. Smith, president-ceo.
Sive & Associates, Cincinnati: Marsh Cann, vp-dir.

RANK
51

Revlon Group

New York
ADVERTISING: **$ 165.2** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2,400	1,620	48.1

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,586	534	196.9
Business pub	196	219	(10.8)
Magazine	36,517	36,031	1.3
Newsp supp	2,013	1,141	76.3
Outdoor	14	0	NA
Network TV	31,678	34,746	(8.8)
Spot TV	6,904	10,254	(13.2)
Network cable	120	988	(87.8)
Network radio	900	1,219	(26.2)
Spot radio	1,312	1,269	3.4
Measured	83,239	86,402	(3.7)
Unmeasured	82,000	85,000	(3.5)
Total	165,239	171,402	(3.6)

Revlon spent 1986 getting bigger, and 1987 getting better. It reshuffled management, reorganized business segments and redirected marketing emphasis in 1987. A recognizable identity for the diverse cosmetics' company was the ultimate goal—the same goal put in place after the 1985 takeover by Ronald O. Perelman.

A single corporate identity is behind the launch of "The Nines" this month at Macy's in New York. "The Nines," embracing Revlon's fashion and designer lines, allows a customer to choose treatment, makeup and fragrances from nine of Revlon's prestige houses. Each line will offer a customer its "specialty," allowing the customer to coordinate her beauty needs from one convenient in-store location.

Included among "The Nines" are Ultima II, which specializes in color; the Princess Marcella di Borghese line, which will offer 'outrageous' colors and spa treatment products; Charles of the Ritz powder products and Alexandra de Markoff foundation products. Other lines include Lancaster, Revlon Classics and Revlon's prestige fragrances, such as Norell, Bill Blass and Halston.

A new line of treatment products, Jeanne Gastineau, will debut at the new branch of Bloomingdale's in Chicago which opened this month, and will eventually join its sisters as part of "The Nines." The print campaign, from Arnell Bickford Associates, New York, is scheduled for an October launch.

The Classic Revlon line is continuing its inhouse-designed campaign, "The most unforgettable women in the world wear Revlon," which features celebrities in a series of photographs by Richard Avedon. The September campaign, which features screen star Audrey Hepburn, was preceded by such famous faces as Brooke Shields and Liza Minnelli.

Ms. Minnelli and model Paulina Porizkova, in fact, proved revolutionaries in the cosmetic's industry. They signed on with Estee Lauder as well. Estee continues to dominate the prestige cosmetics market, with a 38% to 39% share of department store sales, followed by Cosmair, which holds a 14% share. Revlon is third at 10%. Revlon's Ultima II line is the No. 6 women's cosmetics brand, with a 3.6% share of market.

Revlon also is third in the mass market segment, where Noxell Corp.'s Cover Girl leads with a 21.2% share, followed by Schering-Plough's Maybelline at 19.5%, Revlon at 13.8% and Cosmair's L'Oreal, 5.2%, according to Value Line Investment Survey analyst Rudolph C. Carryl.

Cosmair leads the mass market fragrance category with Vanderbilt, having dethroned Revlon's Charlie fragrance from the top spot in 1987. Charlie, which received $2.8 million in measured support, down 22%, held a 5.2% share of the mass fragrance market in 1987. It has been gradually slipping since 1984 when it held a 5.9% share.

Altogether, Revlon has cornered 25% of the mass-fragrance market with its own developed brands that include Charlie, Intimate, Jontue and Scoundrel, plus its acquired fragrances like Enjoli, Tatiana, Forever Krystle, Midnight and X'ia X'ang. Xia X'ang received the largest media support among Revlon's fragrances, $3.5 million, in 1987.

Trouble, a new mass-market fragrance aimed at women 20- to 40-years-old, was introduced in department stores in August, and will enter the drugstore market in November. The $10 million campaign, developed by Hill, Holliday, Connors, Cosmopulos, New York, sports the tag line, "A little trouble keeps life interesting."

A new prestige fragrance, Couture, was introduced via Korey Kay & Partners, New York, in February at Bloomingdale's, prior to its national launch.

This year, Revlon re-introduced an older brand, the Clean and Clear shampoo system, aimed at the low-premium market segment. A $22 million campaign supports the first major shampoo/conditioner entry by Revlon in this $1.8 billion market since 1984, when Revlon introduced Hair's Daily Requirement, which is no longer being made by Revlon. Clean and Clear advertising features the product's clarity.

Neat-Touch professional manicure system was introduced in 1988 into the nail-care preparation market where Revlon is reported to generate $650 million a year in sales.

Revlon's Almay division introduced Stress Cream and Stress Eye Gel last year into that growing category. The Almay line received nearly $15 million in measured media support in 1987, up 36%. Max Factor's measured media budget remained at about $10 million.

Young & Rubicam became Revlon's agency of record as it took over the media-buying function from Bozell, Jacobs, Kenyon & Eckhardt, ending Revlon's brief one-year relationship with that agency, which left to take on Faberge Inc.'s $15 million Elizabeth Arden business. Y&R picked up Revlon's Flex haircare line, when Grey Advertising resigned the account to take on Procter & Gamble's $10 million Pantene haircare account. The Flex line received $5.6 million in measured support last year. Along with the media-buying function, Y&R received an estimated $30 million worth of business from Revlon.

Lawrence Wechsler, formerly the president of Revlon's Beauty Group, U.S., became president at the turn of the year of the newly-formed Revlon Communications and Creative Group, which oversees advertising and other marketing functions.

The company reformed its fragrance and Revlon brands cosmetics business, known as Group I, into the Revlon Classic Cosmetics and Fragrance Group. Arnold Zimmerman continues as president of the newly-formed group and Paul Block, who had been the division's senior VP-marketing, became exec VP-marketing.

Revlon's former Group II became the Beauty Care Group under the continued leadership of Neil Katz. Andrea Robinson was named president of Ultima II and Robert Nielsen was named president of the Fashion and Designer Group.

The parent company sold off its optical subsidiaries this year. Barnes-Hind and Coburn were sold to U.K.-based Pilkington Bros. for a reported $574 million, while Frigitronics Inc., an eye-care and surgical products manufacturer, which had been purchased in 1986, was sold to Staar Surgical for an undisclosed sum.

REVLON GROUP
767 5th Ave.
New York, N.Y. 10022
(212) 572-5000

Corporate personnel: Ronald O. Perelman, chmn & ceo; Howard Gittis, vice chmn; Sol Levine, president; Lawrence Wechsler, president-Revlon Communications & Creative Group.

Marketing personnel: Arthur I. Cohen, exec vp-adv; George W. Feld, vp-adv svcs; Richard Kressler, Laura Mogul, adv dirs; Anthony Cozzolino, budget media dir; Arnold Zimmerman, president-Revlon Classic Cosmetics & Fragrance Group; Paul Bloch, exec vp-Revlon Classic Cosmetics & Fragrance Group; Don Wilchek, sr vp-mktg, Revlon Classic Cosmetics & Fragrance Group; Neil Katz, president-Beauty Care Group; Andrea Robinson, president-Ultima II; Robert Nielsen, president-Fashion & Designer Group.

Brands/services by agency of record:

Germain Monteil Cosmetiques
The Nines (all of Revlon's cosmetics groups)

Ad agency: Arnell Bickford Associates, New York: Maryanne Harmon, media dir; Mary Marisola, assoc media dir.

■

Charlie
Classic Revlon
Clean and Clear
Intimate
Neat-Touch
Super Lustrous Lipsticks
Trouble

Ad agency: Hill, Holliday, Connors, Cosmopulos, New York: Wally O'Brien, president.

■

Care for Kids Mousse
Chaz
Revlon lipstick, nail enamel & face makeup
The Princess Marcella di Borghese

Ad agency: (In-house): 50th Floor Workshop.

WE PUT THE TOP AGENCIES OF TOMORROW WHERE THEY ARE TODAY.

Agencies like Pedone & Partners, Lotas Minard Patton & McIver, Hammond Farrell Inc., Lobsenz Stevens, Stanley Merritt Advt., Inc., Huttner & Hillman, Robert A. Becker, Inc., Grybauskas, Inc., and Sullivan & Brugnatelli Advt. have relied on Newmark's expertise to meet the special real estate needs of their companies on-the-grow. Newmark, agent for over 15 million sq. ft. and an important resource in any young agency's race to the top.

Barry Gosin, 212-512-9538
Newmark & Company, 1501 Broadway, New York 10036

New York: George W. Feld, vp-adv svcs; Leslie Goldman, Bobbi John, creative dirs.

■

Almay, prestige fragrances

Ad agency: Korey Kay & Partners, New York: Hans Zucker, assoc media dir; Harris Lefkon, vp, dir-media svcs; Leo Baumohl, media super; Marian Cicolello, media planner; Pam Schaefer, asst media planner.

■

Jean Nate
Jontue
Max Factor

Ad agency: Tarlow Advertising, New York: Russell Gilsdorf, media dir; Nancy Brodsky, Carolyn MacIver, acct exec.

■

Flex

Ad agency: Young & Rubicam, New York: Walter Gray, Marlene Chautin, Denise Weimann, group supers.

Professional Products Group
Jacksonville, Fla.

Corporate personnel: Irving J. Bottner, president

Marketing personnel: Louis Rapolo, sr vp-mktg

Brands/services by agency of record:

Professional Products Group

Ad agency: Merchandising Workshop, New York: Joanie Curcio, sr vp

RANK
5

RJR Nabisco

Atlanta
ADVERTISING **$ 839.6** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	15.766	15.102	4.4
Earnings	1.209	1.064	13.6
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	11.721	11.338	3.4
Operating income	2.162	2.026	6.7
■ *Division sales*	*1987*	*1986*	*% chg*
Tobacco	6.346	5.866	8.2
Food/beverages	9.420	9.236	2.0

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	20.242	50.347	(59.8)
Business pub	4.338	2.618	65.7
Magazine	105.674	120.281	(12.1)
Newsp supp	12.518	36.431	(65.6)
Outdoor	63.065	78.458	(19.6)
Network TV	209.777	155.301	35.1
Spot TV	31.272	36.457	(14.2)
Network cable	14.688	10.105	45.4
Network radio	2.226	3.954	(43.7)
Spot radio	8.788	9.286	(5.4)
Measured	472.589	503.237	(6.1)
Unmeasured	367.000	391.000	(6.1)
Total	839.589	894.237	(6.1)

RJR Nabisco lit a fire under the tobacco industry in 1987 with the announcement of a revolutionary new "smokeless" cigarette, and a year later, inflamed the ad industry by firing Saatchi & Saatchi DFS Compton on its $80 million-plus Nabisco Brands account.

In September 1987, RJR Tobacco Co. said it was preparing to introduce a cigarette that heats, rather than burns, tobacco and therefore does not emit sidestream smoke. The company is expected to spend about $100 million to develop and market the product, which has been assigned to Young & Rubicam, New York. Test marketing begins Oct. 1.

The "smokeless cigarette" caused an immediate furor among anti-smoking groups, which asked the Food & Drug Administration to regulate the new cigarette as a drug. To date, the FDA has not ruled on the request.

Then in April 1988, RJR ruffled more feathers when it dismissed Nabisco agency S&S DFS Compton for creating an anti-smoking commercial for another client, Northwest Airlines. RJR Tobacco Co. Chairman-CEO Edward Horrigan was said to be behind the move to "punish" the agency. The campaign was created and aired with no warning to RJR.

The company, faced with reassigning its cookie, cracker and confection business to a new agency, used the opportunity to realign its entire U.S. agency roster, eliminating Tatham-Laird & Kudner and Bozell, Jacobs, Kenyon & Eckhardt entirely.

RJR moved the bulk of its Nabisco business to its tobacco agencies. The biggest winner was FCB/Leber Katz Partners, agency for Salem and Vantage cigarettes, which picked up $90 million in Nabisco business, including Oreo and Chips Ahoy! cookies (from S&S DFS), Fleischmann's margarine (from TLK) and Life Savers roll candy (S&S DFS). FCB/LKP's total RJR Nabisco billings shot up to $125 million with the assignments.

Interpublic Group of Cos., whose McCann-Erickson unit already handled $150 million in billings for Camel and Winston cigarettes and Nabisco cracker brands, picked up new Nabisco business through its sister agencies, Lowe Marschalk and Lintas:USA. Lowe was assigned the $4 million Ortega Mexican food lines formerly at TLK, and Lintas, a newcomer to the Nabisco roster, was awarded $25 million in Planters nuts and snacks, including Baby Ruth and Butterfinger candy.

Long, Haymes & Carr, Winston-Salem, N.C., the agency for Doral cigarettes, was assigned the $4 million Bubble Yum account previously at S&S DFS.

Executive changes abounded at RJR and its Nabisco Brands subsidiary, the latter of which reorganized in 1988. In March 1987, Ross Johnson, RJR Nabisco president, added the title of CEO when J. Tylee Wilson stepped down from that post. But Mr. Wilson, although originally intending to keep the chairmanship, relinquished that office in April and took early retirement. Later that month, J. Paul Sticht, a retired RJR exec, was brought back as acting chairman, but was later succeeded by Charles Hugel, a surprise move because he was a non-company exec. Mr. Hugel remains president-CEO of Combustion Engineering Co. as well.

At RJR Tobacco USA, Dolph von Arx, 53, a former Thomas J. Lipton exec, succeeded Gerald Long as president-CEO. Mr. Long became chairman of that unit until his retirement in 1988.

Relating to RJR's move that brought $200 million in broadcast buying in-house from Ohlmeyer Communications in November 1987, president-CEO at Ohlmeyer, John Martin, became an exec VP at RJR Nabisco and William Liss, Ohlmeyer VP-public affairs, joined RJR in that capacity.

In December, the company formed a new unit, RJRN Golf, and later changed its name to Sports Marketing Enterprises Inc., awarding advertising and promotion of company-sponsored sports events to Long, Haymes & Carr.

In 1987, RJR adopted an incentive compensation system for its agencies, giving a 20% bonus to agencies doing "outstanding" work. A 10% bonus is given for "very good." Average and poor are not given bonuses, but paid an undisclosed, fixed commission.

RJR Nabisco made sizable media spending swings in 1987, funneling 34.7% more spending in network TV than in 1986. It increased cable by 40.5% but cut magazine spending 21.9% and sliced newspapers by 60%.

RJR increased its share of the $33.7 billion tobacco market to 32.6% from 32.3% in 1986, according to John Maxwell, analyst with Wheat First Securities, Richmond, Va. Still, RJR's gain paled in comparison to leader Philip Morris' increase of 1.1 share points to 37.9%. The overall market however decline by 2.5% in units.

To grab some of PM's share, RJR is focusing on its core full-price cigarette brands, Winston, Salem, Camel and Vantage, and concentrating on stealing away some of PM's s[illegible]hold: the young adult smoker.

But that effor[illegible] not fully under way until 1988, was not reflected in spending figures for the company's cigarette brands in 1987, with the exception of Camel. According to BAR/LNA, measured spending for Vantage plunged 39% to $22 million in 1987; Salem spending dropped 35% to $20 million, and Winston spending dipped 10% to $36 million. Spending in 1988, however, is expected to be up markedly.

The company's first move to update its brands was an aggressive new campaign for Camel, celebrating the brand's 75th anniversary. The ads, via McCann-Erickson, New York, brought "Old Joe," the brand's packaging symbol since its introduction, to life in musical and pop-up magazine ads themed, "75 Years and Still Smokin'." Then, in summer 1988, the campaign was expanded to show Old Joe dressed as "Top Gun" and "Miami Vice" type characters with a new theme, "Smooth Character." Camel's 1987 market share was 4.2%, according to the Maxwell Report, tying it for fourth place in cigarette brands with PM's Benson & Hedges.

The push to modernize Salem to appeal

Your TV spots never looked better.

Cycle Sat Satellite Courier System delivers network-quality spots every time!

Time after time, spot after spot, Cycle Sat is the most dependable and cost effective way to get your quality TV commercials on the air.

Cycle Sat delivers network-quality spots and traffic instructions simultaneously via satellite. And because your commercials are transmitted directly to TV stations, there's no need for costly duplication.

Get the **quality** of first generation spots while you avoid the hassle of lost or damaged tapes. See your spots run on time—every time. Call Cycle Sat Satellite Couriers, today at 1-800-622-1865.

CYCLE • SAT
SATELLITE COURIERS

DELIVERS CLEAR SOLUTIONS

A subsidiary of Winnebago Industries Inc.
119 Willowglen Drive
Forest City, Iowa 50436

Offices in Los Angeles (213) 463-9800, Chicago (312) 704-0037, and New York (212) 957-0375.

to younger smokers began in December 1987, when packaging was updated with vivid color and a more bold sailing motif logo. By summer, the effort was extended to advertising in a campaign from FCB/LKP. "Refreshest" theme were run in nine zoned editions of national magazines, which used sight and sound. The four-page ad contains a picture of a champagne bottle about to be popped on the first page. When the page is turned, a paper facsimile of a champagne cork "pops" out with an attention-getting sound.

Salem was the third-largest selling cigarette brand in 1987, according to the Maxwell Report, with a 7.7% share behind PM's Marlboro and RJR's own Winston. But that share dropped 0.1 point from 1986. Another menthol, Lorillard's Newport, is gaining share, to 4.3% from 3.8% in 1986.

RJR VP-advertising and brand management Rick Sanders said similar attention-getting efforts are planned for Vantage and Winston in 1988, but declined to specify further. Vantage's 1987 share was 3.2%, even with the prior year, but Winston's share dipped 0.1 share points to 11.1%.

In August 1988, the company introduced Magna, a generic-priced cigarette, into North Atlantic states. Long, Haymes & Carr handles the brand, whose ad theme is "Good Smoke. Great Price."

A major restructuring went into effect in June 1988 at Nabisco Brands, designed to trim staff 20% to 1,600. The restructuring broke the U.S. company into two additional operating companies, Nabisco Biscuit Co. and Nabisco Foods. Del Monte Foods and Del Monte Tropical Fruit already had been broken out as separate companies late in 1987.

Through the restructuring, Ellen Marram, 41, and William McKnight, 43, essentially switched jobs. Mr. McKnight, who was president-biscuit division, moved to president-CEO Nabisco Foods. Ms. Marram, previously president-grocery division, moved to president, Nabisco Biscuit. Peter Rogers, 49, added CEO of Nabisco Biscuit while remaining an exec VP of Nabisco Brands. And H. John Greeniaus, 43, moved to president-CEO of the Nabisco Brands holding company.

Nabisco in 1987 introduced a host of line extensions to established brand names, such as Oreo Big Stuf, new flavors of Newtons, chocolate enrobed Oreos, Ritz Bits and Cheese Ritz Bits crackers. A-1 Steak Sauce was extended with an A-1 Poultry Sauce, which received $3.4 million in measured spending.

The company said its "18 New Stars from Nabisco" cookie and cracker lines introduced in 1987 generated $200 million in sales that year, a figure anticipated to climb to $300 million in 1988. The company said the line generated "20 miles of new shelf space" in grocery stores for Nabisco. RJR Nabisco Vice Chairman Robert Carbonell told securities analysts in February 1988 that the "New Stars" increased the company's cookie market share to 37.1%, up one percentage point, and the company's cracker share up two points to 54.7%.

Two of the biggest stars in the line-up were newcomers: American Classic Crackers, supported by $5.9 million in 1987 spending, according to BAR/LNA, and Quackers, supported with $6 million.

The company rolled out Fruit Wheats cereal in 1987, a fruit-in-the-middle cold cereal entry which helped Nabisco achieve a 23% share of the adult cold cereal market, the company said. Spending on Fruit Wheats, advertised as "the In Cereal," was $10 million via FCB/LKP.

The adult market is a subsegment of a much larger ready-to-eat cereal market in which Nabisco held a 4.9% share in 1987, up from 4.5% the prior year. Only one Nabisco cereal, Shredded Wheat, made the top 10, with a 3.6% share.

Citing efficiencies, RJR moved its Planters division to Winston-Salem, N.C., combining its sales unit with tobacco in a new group called RJR Sales. Ralph Angiuoli, 51, formerly president of RJR Tobacco USA, was named president of the new unit.

During 1987, Planters introduced two major products: Planters Premium Select microwave popcorn and Life Savers Fruit Juicers, a 10% juice product rolled national in 1988. Premium Select received $6.3 million in 1987 measured spending, according to BAR/LNA.

Two new shelf-stable products joined the Del Monte line-up in 1987 and 1988, Del Monte Vegetable Classics, tested in Phoenix and Seattle, and Del Monte Yogurt Cup, a kid's yogurt which began rolling national in summer 1988. With Yogurt Cup, Del Monte concentrated on extending the company's single-serve cup snack line to 20 items.

In February 1988, Nabisco sold its confectionery brands, including Junior Mint, Charleston Chew and Sugar Daddy to Warner-Lambert Co.'s American Chicle Group. Terms were not disclosed. Sales in 1987 for the unit were $57 million.

RJR NABISCO

300 Galleria Parkway
Atlanta, Ga. 30339
(404) 852-3078

Corporate personnel: John D. Martin, exec vp; William J. Liss, sr vp-public affairs.

Brands/services by agency of record:

Corp adv

Ad agency: Babbitt & Reiman, Atlanta: Joel Babbitt, Joey Reiman, principals.

RJR Tobacco Co.

Winston-Salem, N.C.

Corporate personnel: Edward A. Horrigan Jr., chmn & president-ceo.

RJR Tobacco USA

Winston-Salem, N.C.

Corporate personnel: Dolph von Arx, president-ceo; Clyde Fitzgerald, sr exec vp.

Marketing personnel: John Winebrenner, sr vp-mktg; Lawrence Hall, vp-strategic mktg planning; Edward Blackmer, Richard Sanders, vps-adv & brand mgmt; David Fishel, vp-pr; A.L. Barnett, sr dir-promo; Dan Pearson, sr dir-media.

Brands/services by agency of record:

Salem
Vantage
Ritz

Ad agency: FCB/Leber Katz Partners, New York: Paul Lucy, sr exec vp-genl mgr; Robert Hirsch, sr exec vp.

■

Doral
Sports Marketing Enterprises
Magna cigarettes

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: Bob Graham, vice chmn-chief creative officer; Loren Chamberlain, vice chmn-chief marketing officer; Bob Fly, president-coo; Logan McCabe, vp, dir-special events & promo.

■

Camel
Winston

Ad agency: McCann-Erickson, New York: Craig Middleton, exec vp; Barry Schweig, Robert Dunn, sr vps-mgmt reps; Art Richter, Steve Goldstein, vps-acct dirs; Charlotte Rashti, David Pastore, acct execs.

■

More
Now
"smokeless cigarette"

Ad agency: Young & Rubicam, New York: Jane Brite, group genl mgr; Mike Feldman, group dir; Tony Pace, mgmt super.

Planters Lifesavers Co.

Winston-Salem, N.C.

Corporate personnel: John Polychron, president-ceo.

Marketing personnel: Thomas Muller, vp-mktg; Steven Brania, mktg dir-Planters nuts & snacks; Cheryl Bachelder, mktg dir-gum & hard roll candy; Lawrence Baumgart, mktg dir-Baby Ruth & Butterfinger.

Brands/services by agency of record:

Planters nuts, snacks and popcorn

Ad agency: Lintas:New York: Frank Devito, president, dir-creative svcs; Neill Myers, sr vp-mgmt super; Terry Rosenquist, exec vp; F. Stone Roberts, group exec vp; Roger Fishman, acct exec.

■

Care*Free Gum

Ad agency: FCB/Leber Katz Partners, New York: Lorie Donchak, vp-mgmt dir; J.C. Lee, senior vp-group mgmt dir; John Felice, asst acct exec.

■

Life Savers
Fruit Juicers
Breath Savers

Ad agency: FCB/Leber Katz Partners, New York: Tony Stanol, vp-acct dir; Lorie Donchak, vp-mgmt dir; J.C. Lee, sr vp-group mgmt dir; Martha Darmohraj, asst acct exec.

■

Bubble Yum

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: James Woods III, acct super.

Nabisco Brands

East Hanover, N.J.

Corporate personnel: James O. Welch, chmn; H. John Greeniaus, president-ceo; John Manfredi, vp-corp affairs.

Marketing personnel: John McRobinson, vp-business planning & devel; Robert Springer, dir-adv svcs; Dante Bonardi, dir-broadcast commercial production; Louis Rubinacci, dir-natl tv; Teri McNamara, mgr-spot tv/radio/print.

Nabisco Biscuit Co.

East Hanover, N.J.

Corporate personnel: Peter Rogers, chmn & ceo; Ellen Marram, president.

Marketing personnel: Harold Lees, vp-mktg; Sharon Fordham, sr dir-new business; William Stuart, sr dir-mktg svcs; Fran Rose, sr dir-strategic planning & mkt rsch; Allan Falvey, dir-consumer promo; Robert Garguilo, dir-mkt rsch; Marty Jaross, dir-creative svcs; Michael Perry, dir-adv & media production; Mark Kapsky, category business dir-Nilla/Newtons/Almost Home; George Pace, category business dir-Oreo/Chips Ahoy!; Sandy Putnam, category buiness dir-snack crackers; Eric Shulman, category business dir-Premium/Ritz.

Brands/services by agency of record:

Crackers

Ad agency: McCann-Erickson, New York: Rob McKinley, sr vp-group dir.

■

Cookies

Ad agency: FCB/Leber Katz Partners, New York: Jim Bernegger, group mgmt dir.

Nabisco Foods Co.

East Hanover, N.J.

Corporate personnel: William McKnight, president-ceo.

Marketing personnel: John Mitchell, vp-mktg; Bruce Campbell, dir-breakfast foods; Marc Schoenholz, dir-margarine; Roger Wagner, dir-desserts/pet snacks/regular brands; Steve Braitman, group prod mgr-sauces/condiments.

Brands/services by agency of record:

Margerines
Cereals
Desserts
Dog biscuits

Ad agency: FCB/Leber Katz Partners, New York: Samuel Eisnitz, exec vp-group mgmt dir.

A-1 Sauces
Grey Poupon Dijon mustard
Chun King
Ortega
College Inn broths

Ad agency: Lowe Marschalk, New York: John Most, vp-mgmt super.

Del Monte Foods USA

Coral Gables, Fla.

Corporate personnel: Robert Carbonell, chmn; A. Ewan Macdonald, president-ceo.

Marketing personnel: Bruce Wood, sr vp-mktg; Dennis Hixson, vp-sales; Gordon Chapple, mktg dir-vegetables/tomatoes; Deb Edwards, mktg dir-beverages/snacks; Doug Bargenquast, vp-Hawaiian Punch; Clyde Noel, mktg mgr-fruits/pineapple; Dee Ann Campbell, dir-mktg svcs; Robert Mutzl, group mgr-consumer promo; Kristi Outzen, mgr-adv svcs; Mark Lees, mktg dir-microwave.

Brands/services by agency of record:

Del Monte prods

Ad agency: McCann Erickson, San Francisco: Jack Tormey, exec vp-genl mgr; Wayne Fulcher, sr vp-mgmt super.

■

Hawaiian Punch

Ad agency: Solem/Loeb & Associates, San Francisco: Olive Lewis, sr vp-acct svcs.

■

Hispanic adv-
Hawaiian Punch

Ad agency: BCT Communications, San Francisco: Julio Rosetti, president.

Del Monte Tropical Fruit Co.

Coral Gables, Fla.

Corporate personnel: Paul Bott, president-ceo.

Marketing personnel: G.F. "Bud" Norwood, vp-North American sales & mktg; William Haase, vp-North American sales; Brad Knickerbocker, dir-mktg svcs & new prods; Howard Nager, dir-trade relations; Arnold Schurr, dir-food service sales.

Brands/services by agency of record:

Del Monte Tropical Fruit Co.

Ad agency: Cripsin & Porter Advertising, Coral Gables, Fla.: Peter Pluymers, vp-mgmt super.

RANK
31

Sara Lee Corp.

Chicago
ADVERTISING: **$ 278.1** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	10.424	9.155	13.9
Earnings	325	267	21.7
■ ***Division sales***	*1987*	*1986*	*% chg*
Packaged goods	5.062	4.639	9.1
Food svcs	2.289	1.892	21.0
Packaged prods	3.191	2.717	17.4

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	5.360	1.881	185.0
Business pub	1.846	90	1.946.2
Magazine	27.438	22.738	20.7
Newsp supp	1.895	532	256.3
Outdoor	269	782	(65.7)
Network TV	66.917	68.313	(2.0)
Spot TV	24.814	21.199	17.1
Network cable	1.121	1.897	(40.9)
Network radio	2.701	3.091	(12.6)
Spot radio	781	2.078	(62.4)
Measured	133.141	122.599	8.6
Unmeasured	145.000	134.000	8.2
Total	278.141	256.599	8.4

Sara Lee restructured in 1987 from five to three business segments to cross-link its top brands. It sold off business lines that didn't fit its new lineup, including Electrolux, and broadened its European base through acquisition.

The company, already an experienced mail order marketer, also set in motion plans to expand direct marketing in the near future. It also plans to apply the Sara Lee corporate name to all operations of the company, a practice notably absent in packaging and advertising to date.

The company condensed its five business segments into three—Packaged Foods, Foodservice and Packaged Consumer Products. It cut, shifted and folded together its existing companies to gain product synergies within the divisions for its wealth of brands, many of which lead their market category.

Specifically, Packaged Foods consolidated Hollywood Brands (candy) and Sara Lee Bakery, the latter the new logo for Kitchens of Sara Lee and Chef Pierre (pies). Packaged Meats, another subunit of Package Foods, pulled together many regional processed meat companies and the nationally-marketed Jimmy Dean and Hillshire Farm sausage brands. Within that subunit, Standard was linked with Hi Brand, Buring and Seitz with Bryan, and R.B. Rice with Rudy's Farm, which in turn is merging with Jimmy Dean. Yet a third Packaged Foods subgroup—Coffee and Grocery—brought together Sara Lee's big Dutch beverage and tobacco unit, Douwe Egberts, and the new Akzo acquisition in Holland, the C.V.B.G. wine company, and Jonker Fris, the Dutch fruit and vegetable canner.

Foodservice centered around PYA/Monarch restaurant and institutional supply company, operating from the Atlantic seaboard through the Midwest. Booth Fisheries was folded into PYA/Monarch. Superior Coffee and Foods, and the Lyons chain of 63 family-style, 24-hour restaurants in California, Nevada and Oregon filled out the group, although the latter is believed to be on the block.

Packaged Consumer Goods pulled in hosiery units, leatherware, brushes, gloves, bras, shoe polish, the household and personal-care business of Intradal and part of the new Akzo addition in Europe.

Where this process shows holes, Sara Lee is buying or making acquisitions, most recently in manufacturers of hosiery, knit-wear, snacks and personal products. Where product duplication or performance or distribution are problems, it has viewed divestiture as one answer.

The biggest acquisition in Sara Lee history was its $600 million purchase early this year of Akzo Consumenten Produkten (ACP), a maker of foods and personal and household products marketed in 13 European countries, with $720 million total annual sales in 1986. Akzo was owned jointly by Akzo NV and Shell Petroleum NV.

Sara Lee in July 1988 agreed to acquire one of its Hanes hosiery manufacturing suppliers, Adams-Millis, High Point, N.C., in an exchange of stock valued at $80 million. A month earlier the company said it planned to purchase 50% interest in Pannill Knitting Co., Martinsville, Va., maker of fleeced sweatpants and sweatshirts. Earlier in 1988, it bought Stedman Corp., a North Carolina underwear and sportswear producer, which became part of Hanes Printables. French government approval is being sought to enlarge its holdings in Dim SA, a Frency hosiery-lingerie supplier company, from 34% to 60%.

Sara Lee's Kiwi household products line gained strength through the acquisition in late 1987 of Knomark Inc., a division of Papercraft Corp., New York. Knomark produces Ty-D-bol toilet cleaner, which will complement Kiwi's existing cleaners, including Toilet Duck and Bloo.

Sara Lee said its Electrolux sweeper company did not fit the long-term objectives of the company and sold it in October 1987 to its management and affiliates of the First Boston Corp. and Wesray Capital Corp. Also sold was New York-based Sirena Co., maker of Sirena swimwear and Wear-About leisure wear. Its West Coast Lyons Restaurant chain could be the next on the block.

Greater reliance on mail order also is in the works, said a corporate spokeswoman. Already Sara Lee uses mail order in the marketing of Fuller Brushes, Coach Leatherware and Wolferman Muffins, a Kansas City line. One of the newly-created operating companies is Sara Lee Direct, a combo of Coach, Fuller and an existing mail-order operation, Direct Marketing Division.

Adapting to the demographic punch of this era—no housewives at home to greet the door-knocking Fuller Brush man—Fuller is trying two alternatives: a 52-page four-color direct-mail catalog, circulating about 15 million copies, and three retail stores, two in the Dallas area and one, a factory outlet, in Birch Run, Mich.

The big Sara Lee foodservice unit, PYA Monarch, based in Greenville, S.C., this summer launched a new slick monthly tabloid, *The Monarch Edge*, which PYA/Monarch VP John P. Gates calls the "cornerstone of our entire marketing plan for the fiscal year." Going to 105,000 existing and potential customers in the company's marketing areas, the four-color papers carry ads not only for Monarch and other Sara Lee companies but for non-Sara Lee foodservice suppliers who want to reach the *Edge's* readers.

In new products, PYA/Monarch introduced two rape seed cooking oils, Nutra-Fry and Nutra-Clear, which the company claims have zero cholesterol and 50% less saturated fat than any other product now made in the U.S. A 1988 addition to the Kitchens of Sara Lee Hearty Fruit Muffin line was Raisin Bran Muffins, both frozen and microwaveable.

Hollywood Brands introduced a new Fun Size or miniature version of its familiar non-chocolate peanut and nougat Pay Day candy bar, sold in 12 oz. bags. After trying a multi-media tack for its advertising in 1986, Hollywood has gone back to print only. Spending rose 23% in 1987 to $3.2 from 1986. Ads appear in 28 titles covering a broad range of categories—service, glamor, men's, outdoor, sports—weighted 60% to women, since they make quantity purchases in supermarkets, and 40% to men, who tend to buy mostly single bars from vending machines.

In the biggest single segment of Sara Lee advertising, the Hanes line of hosiery,

WE CAN UNLEASH YOUR PC's

Analytic MicroSystems inc.

- Fast Turnaround
- Agency Experience
- Market/Media Planning, Project Tracking, Financial, Or Any Custom Applications

Call (800) 999-9AMS for information disk & FREE PC GIFT (a $100. value)

underwear and printables sports shirts, ad spending was down 8.5% to $32.7 million, according to BAR/LNA. Within the line, hosiery advertising was up 5.5% to $17.5 million, men's underwear fell 13.2% to $13.9 million and Hanes Children's underwear plummeted to only $482,200 from $2.9 million in 1986.

Major gainers among the various Sara Lee lines of media-promoted products were: Aris brands of gloves, slippers and accessories, up 35% to $19.2 million, Bali bras and panties, at $2.4 million, up from $645,900 and Kitchens of Sara Lee brands, climbing 7% to $12.4 million.

L'eggs advertising, which makes heavier use of television, compared to print, than Hanes, dropped 6.4% to $24.1 million. The meat line fell 12.3% to $21.9 million, although two major brands were up—Jimmy Dean, up 57% to $7.3 million, and Bryan Meats, up 19.5% to $4.8 million.

Spot TV is favored by all of Sara Lee's retail meat companies doing consumer promotion. Only Hillshire Farm and Jimmy Dean, the two truly national brands, use network. Hillshire Farm figured into one of Sara Lee's few agency changes during the year. Hillshire Farm Heartland Division, New London, Wis., switched its account, worth $5 million, from Frankenberry, Laughlin & Campbell, Milwaukee to Campbell-Mithun-Esty, Minneapolis.

With the coming of its new 1988 fiscal year, Sara Lee had a new president, Paul Fulton, 53, former exec vp and L'eggs Products exec who contributed to development of the famed egg-shaped package. Vacating the president's office to start a new career in public service at age 53 was John B. McKinnon, who subsequently agreed to stay for a year with Sara Lee, working to develop the foodservice line. New also is Cornelis Boonstra, 50, who became corporate exec VP.

Charles W. Lubin, 84, founder in 1949 of the Kitchens of Sara Lee, whose daughter's name was adopted in 1984 as the new corporate marque of Consolidated Foods Corp., died of a heart attack while driving in Chicago's Loop July 15, 1988. The Sara Lee label originally identified a cake brand which Mr. Lubin had named for his newly-born daughter, Sara Lee, following a suggestion from his wife, Tillie, which she had made in jest. In 1956, Mr. Lubin sold the highly successful Kitchens of Sara Lee to Consolidated Foods Corp.

SARA LEE CORP.
Three First National Plaza
Chicago, Ill. 60602-4260
(312) 726-2600

Marketing personnel: Randy Flaharty, vp-mktg, Aris Isotoner; Irene Prince, prod mgr-gloves & knitwear, Aris Isotoner; Nancy Greenberg, prod mgr-slippers, Aris Isotoner; Caryl Soroka, prod mgr-mass merch, Aris Isotoner; Ted Richman, merch mgr-Aris Isotoner; Jean Gariepy, vp-genl mgr, dept/specialty store group, Bali Co.; Karyl Chongas, group dir-mktg, dept/specialty store group, Bali Co.; Doug Jotcham, business dir-natl accts, dept/specialty store group, Bali Co.; Richard Schoonover, business dir-bottoms, dept/specialty store group, Bali Co.; Wes Protheroe, sr business mgr-dept/specialty store group, Bali Co.; Ralph Shaw, business mgr-dept/specialty store group, Bali Co.; Steve Jones, vp-genl mgr, mass merch group, Bali Co.; Ted Cooper, dir-mktg, mass merch group, Bali Co.; Chuck Nesbitt, business mgr-mass merch group, Bali Co.; E. James Weber, vp-sales & mktg, foodsvc, Bil Mar Foods; Dan Lennon, dir-mktg, Bil Mar Foods; John Iwanski, prod mgr-beef; Tim Howlett, prod mgr-turkey; Warren Waters, vp-deli div; Steve Michaelson, prod mgr-self serve retail; Jan Gullet, vp-self serve retail; Michael Briggs, prod mktg mgr-deli, Bil Mar Foods; Steen A. Metz, vp-mktg & procurement, Booth Fisheries; Gwyn Boughey, mktg dir-Booth Fisheries; John Lox, vp-mktg, Bryan Foods; Billy D. Brown, vp-sales & mktg, Buring food group; Robert Whiteside, dir-mktg, Buring food group; Ray Nadeau, vp-mktg, Canadelle; David Authier, dir-mktg, Canadelle; Robert Paluzzi, mktg mgr-Canadelle; George Cook, dir-creative svcs, Canadelle; Jonathan W. Landers, vp-mktg, Coach Leatherware Co.; Helen Chafkin, dir adv & catalogs, Coach Leatherware Co.; Steve Tamke, dir-direct mktg, Coach Leatherware Co.; Hans Damen, genl mktg mgr-Douwe Egberts, The Netherlands; Wim Velis, merch & promo mgr-Douwe Egberts, The Netherlands; Michael Romer, mktg plan & control-Douwe Egberts, The Netherlands; Marcel Rikanberg, mktg mgr-coffee, Douwe Egberts, The Netherlands; Menno Haas, mktg mgr-Douwe Egberts Duyvis sauces & mixes, The Netherlands; L.A. Duyn, mktg dir-hh prods, Douwe Egberts (Akzo/Intradal), The Netherlands; A. Van Charldorp, mktg dir-personal care, Douwe Egberts (Akzo/Intradal), The Netherlands; Derek J. Stryker, vp-mktg, household div, Fuller Brush Co.; Bob McGurkin, dir-mktg, household div, Fuller Brush Co.; Charlie Clark, dir-mktg, mail order & stores, Fuller Brush Co.; Gary Goss, dir-merch, mail order & stores, Fuller Brush Co.; Liz Tanis, dir-store operations, mail order & stores, Fuller Brush Co.; Ralph Nutter, vp-sales & mktg, retail div; Kevin Birkholz, Stormie Johnson, prod mgrs-retail div, Gallo Salame; Bob McHenry, genl mgr, deli food service div, Gallo Salame; Frank Chow, mktg mgr-deli food service div, Gallo Salame; Paul F. Wold, vp-mktg, Hanes Hosiery; Cathy Volker, vp-merch, Hanes Hosiery; Carol Mabe, dir-Hanes brand; Steve Halbreich, prod mgr-support category, Hanes Hosiery; Randy Royer, prod mgr-Isotoner & Today's Girl brands, Hanes Hosiery; Cathy Loveless, prod mgr-intl & PX, Hanes Hosiery; Karen Kehler, prod mgr-Donna Karan, Fashion, Ultra Sheer, Hanes Hosiery; Lynette Hawkins, prod mgr-Sitting Pretty, Hanes Hosiery; David McBride, prod mgr-Silk Reflections, Hanes Too!, Summer Sheer, Hanes Hosiery; John Ceneviva, vp-mktg, Hanes men's & boy's underwear; Fran Braun, dir-mktg, Hanes HerWay; Don Foaght, Collett Thach, Steve Lineberger, Debbie Sills, prod mgrs-underwear; J.M. Ostrowski, vp-Hanes Printables; Jan Kissimon, Paul Snyder, Pat Vaughn, brand mgrs-Hanes Printables; Richard White, Melanie Albert, Scott Dalitzky, asst prod mgrs, Hanes Printables; Chuck Lehman, vp-mktg, Hi-Brand Foods; Teri D. Burgess, div prod mgr-Mexican line, Hi-Brand Foods; Julia Bruno, div prod mgr-school line, Hi-Brand Foods; Richard Dedden, vp-retail mktg, Hillshire Farm & Kahn's brands; William G. Klump, natl dir-mktg, Hillshire Farm Co.; Lori Kitzmiller, Huntz Wu, asst brand mgrs-Hillshire Farm; Sheldon Wilcox, dir-retail mktg, Hillshire Farm; Beth Miller, dir-retail sales, Hillshire Farm (Heartland states region); Jack Sletten, sr vp-mktg, Hollywood brands; Walter Balden, dir mktg, Hollywood Brands; Maria Pavia, mktg admin, Hollywood brands; Ed Jenkins, vp-mktg, Jimmy Dean Meat Co.; Gina Domm, dir-mktg, Jimmy Dean Meat Co.; Elizabeth Young, brand mgr-new business devel, Jimmy Dean Meat Co.; Ed Baker, prod mgr-Jimmy Dean Meat Co.; Martin Beyer, prod mgr, Jonker Fris, The Netherlands; Fred Laarman, dir-sales & mktg, Jonker Fris, The Netherlands; Rini Buys, sales mgr, Jonker Fris, The Netherlands; Rick Mullen, vp-food service, Kahn's; David Rosenthal, Paul Stoffregen, brand mgrs-Kahn's brands; M.T. Sherlock, vp-mktg, Kiwi brands; I.T. Plane, J.H. Phillips, prod mgrs-shoe care, Kiwi brands; J.T. Rickenbach, household, Kiwi Brands; J.P. Greenleaf, new prods & HBA prods, Kiwi brands; Michael Flatow, vp-mktg, L'eggs; Ted Cooper, dir new prods & base brands, L'eggs; Suzanne Clark, dir, Just My Size; Bill Murray, dir-promo, L'eggs; Dave Hauber, dir-rsch & retail admin, L'eggs; Valerie Hunt, vp-mktg, Lyon's Restaurants; Robert Wunder, vp-mktg, Moccomatt USA (unit of Douwe Egberts); Bob Alstrin, vp-mktg, Peck Foods; John Shapiro, vp-sales, Peck Foods; John Gates, vp-mktg & corp programs, PYA/Monarch; Phil Caruth, president-Poultry Specialties; Bill Holliday, vp-food service sales & mktg; Bob Roberts, dir-food service mktg; Tom McDonald, mgr-food service mktg, Rudy's Farm Co.; Don Anderson, vp-sales & mktg; Pete Corteville, dir-retail mktg; Betsy Lott, brand mgr-sausage; Debbie Booth, asst brand mgr-R.B. Rice, Green Hill; Bonnie Tomlinson, asst brand mgr-salads; Chris Kuske, asst brand mgr-Rudy's Farm brand, retail div; Jerri Korshak, vp-retail mktg; Cynthia Kerr, dir-retail new prod mktg; Robert Tarkington, group mgr-consumer mktg; Laurie Winter, brand mgr-desserts; Peggy Pandaleon, group brand mgr-new prods; Adi Kalika, sr brand mgr-new prods; Rich Seban, group mgr-div mktg; Mark Glowacki, brand mgr-bread, Kitchens of Sara Lee; Tom Colle, vp-sales & mktg, Seitz Foods; Charles Stacey, exec vp-sales & mktg, Standard Meat Co.; Hal Carper, dir-mktg, Standard Meat Co.; Edward W. Breclaw, vp-mktg, Superior Coffee & Foods; John Hughes, dir-mktg, Superior Coffee & Foods; Ralph Russo, prod mgmt-Superior Coffee & Foods; Mary Kay Buettgen, sr mktg mgr, Superior Coffee & Foods; Michael E. North, mgr-mktg, food service div, Superior Coffee & Foods; Charles McBride, genl mgr-Superior Coffee & Foods; Geri Ferro, dir-mktg, gourmet retail div, Superior Coffee & Foods.

Brands/service by agency of record:

Canadelle Wonderbra line

Ad agency: Academy O&M, Montreal: Jean Deschenes, acct dir; Celine Darche, acct mgr.

■

Bryan/Smokey Hollow processed meats

Ad agency: Ally & Gargano, New York: Jim Feeney, sr vp-mgmt super; George Bauerschmidt, vp-acct dir; George Euringer, exec vp-creative super.

■

Jimmy Dean Meat Co.-tv creative

Ad agency: Berry-Brown, Dallas: Bob Berry, principle; Carol Irwin, acct super.

■

Bil Mar-retail self-serve

Ad agency: Lintas:Campbell-Ewald, Detroit: Bill Case, mgmt super; Anne Hill, acct exec.

■

Kitchens of Sara Lee-retail

Ad agency: Chiat/Day, New York: Ira Matathia,

WHEN IT COMES TO CREATIVE PROMOTIONS, TOP MARKETERS LOOK TO WESTERN PUBLISHING.

POSTER CALENDAR
Kool-Aid
Playtime with Baby

If you see Western Publishing only as the Little Golden Books people, you should take another look. Because we've also created high-visibility promotions for some of America's top companies. Recognizable names like Procter & Gamble, General Foods, Armour-Dial and Kraft. We have the ability to develop customized promotions of every kind, and to put licensed characters to work for you. (Whether it means lining up a hot national character, creating one for you, lending you one of ours, or featuring your current corporate character.) And whatever we create, we can print. Coloring and activity books, puzzles, calendars, posters, games like Pictionary, or any of over 2,000 other printed products. We can even handle distribution and warehousing.

Kid's Trivia Game
FREE

So when you're looking to create an effective promotion, look to Western Publishing. You'll like what you see.

WESTERN PUBLISHING
Sponsored Publishing
DEVELOP
MANUFA

Get the whole picture. Call for this Western brochure, or to talk with a representative about your promotion needs.

1-800-453-1222

WESTERN
WESTERN PUBLISHING COMPANY, INC.
1220 Mound Avenue/Racine, Wisconsin 53404

vp-mgmt super

■

Aris Isotoner
Hanes brands
Bali brands
L'eggs brands
Coach

Ad agency: Saatchi & Saatchi DFS Compton, New York: Michael Donahue, exec vp-mgmt dir (Hanes, Bali, L'eggs); Michael Leahy, exec vp-mgmt dir (Hanes, L'eggs); Wanla Cheng, mgmt super (Hanes, Bali); Barbara Pellechi, acct super (Hanes); Diane Currier, acct exec (Hanes, Coach); Susan Keating, acct exec (Bali); Rich O'Gorman, acct exec (Aris Isotoner)

■

Hillshire farm natl mktg

Ad agency: D'Arcy Masius Benton & Bowles, Chicago: Bob Meuser, sr vp-mgmt super; Tina Demetri, acct exec

■

PYA/Monarch
Booth Fisheries

Ad agency: H.J. Delaney, New York: Harry Delaney, president; Carl Libhart, acct exec (PYA/Monarch)

■

Direct mktg-Fuller brushes & Sara Lee brands

Ad agency: (In-house) Direct Advertising Services, Winston-Salem, N.C.: Pam Artman, acct exec

■

Lyon's restaurants

Ad agency: Evans Advertising, San Francisco: Tod Norgaard, exec; Martin D. Rockey, part owner; Stacey Paynter, acct exec

■

Douwe Egberts coffee

Ad agency: FHV-BBDO, Amstelveen, The Netherlands: Bert Duynstee, Rob Troost, acct dirs; Inge Ligthart, acct exec

■

Hanes Printables

Ad agency: Henderson Advertising, Greenville, S.C.: Ralph Callahan, chmn; Gordon McDonald, dir-client svcs; Linda Albright, acct super

■

Sheer Energy L'eggs medical program

Ad agency: Kallir, Philips, Ross, New York: Virginia Foley, dir-creative svcs

■

Kiwi brands
Bloo
Miracle White
Jonny Blue Jonny Green
Ty-D-bol
Sting Kill
Wood Preen

Ad agency: Lewis, Gilman & Kynett, Philadelphia: Robert W. Schell, vp-group mgmt super; John H. Krick, acct super; Robert W. McIntyre, acct exec

■

Mass Foundation Group-Bali, L'eggs, Hanes

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: Loren Chamberlin, exec vp; Myra Faulkenberry, acct exec; Don van Erden, mgmt super (Fitting Pretty, Aris Isotoner); Brian Marshall, acct super (Fitting Pretty, Aris Isotoner); Lynne Patram, Pat Blair, acct execs (Fitting Pretty, Aris Isotoner); Bill Britt, vp-mgmt super (Hanes); Francis Thompson, acct super (Hanes); Connie Wall, Gary Ramey, acct execs (Hanes)

■

L'eggs, trade adv-print

Ad agency: Maged & Behar, New York: Jack Maged, president; Rich Behar, dir-creative svcs

■

Seitz foods

Ad agency: Dennis Spivak Inc., Kansas City, Mo.: Dennis Spivak, president, acct super; Melanie Thomas, acct exec

■

Rudy's Farm Co.

Ad agency: The Marlin Co., Springfield, Mo.: Tom Kugawa, acct exec

■

Buring food group

Ad agency: John Malmo Advertising, Memphis: Buddy Boswell, acct mgr

■

Sara Lee food service

Ad agency: Ketchum/Mandabach & Simms, Chicago: Andy Mallen, acct super

■

Jimmy Dean Meat Co.
Rudy's Farm Co.

Ad agency: Media That Works, Cincinnati: Mary Beth Price, president; Lynn Veil, acct exec

■

Superior coffee & foods
Moccomatt USA

Ad agency: Noble-Tennant, Chicago: Raymond Jorns, vp-acct super; Joy Mizzel, acct exec (Superior coffee & foods)

■

Coach leatherware-catalog

Ad agency: Pluzynski Associates, New York: Jan Kantler, acct super; Debi West, acct exec; John Schwarz, creative exec; Larry Ocamb, vp-production

■

Douwe Egberts instant & decaffeinated coffee
Kanis Gunnink brand

Ad agency: PPJH/J. Walter Thompson, Amsterdam: Panl Bar, acct dir

■

Kahn's meats
Rudy's Farm Co.

Ad agency: Puskar, Gibbon, Chapin, Dallas: John Huffman, acct super; Trudy Troell, acct exec; Lorne Brooks, asst acct exec

■

Jimmy Dean Meat Co.-
print & collateral

Ad agency: Static Graphics, Dallas: Bob Young, principal; Sharon Besio, acct exec; Leslie Eads, dir-creative

■

Emmber brands
Peck Meat Packing

Ad agency: Scott Advertising, Milwaukee: Chuck Reynolds, Kathie Cavallo, acct execs

■

Hollywood brands

Ad agency: Simmons, Durham & Associates, St. Louis: Ted Simmons, president, creative dir; Tim Tulloch, vp-creative; Mike Eckerd, vp-creative

■

Kahn's Co.
Hillshire Farms natl mktg, media svcs

Ad agency: Sive Associates, Cincinnati: Phil Mandel, vp-mktg planning; Tom Allen, acct exec

■

Kiwi brands
Ambi

Ad agency: Uniworld Group, New York: Herb Kemp, president; Ron Campbell, acct super; Rita Young, acct exec

■

Douwe Egberts household &
Personal care prods

Ad agency: Varossieau Weilaard Van Asperen, Rotterdam: Lowk Varossieau, president; Leo Wielaard, finance mgr; Cees Van Asperen, creative mgr

■

Gallo Salame

Ad agency: Carol H. Williams Advertising, San Francisco: Carol Williams, owner; Nancy McReady, acct exec

RANK
35

Schering-Plough Corp.

Madison, N.J
ADVERTISING **$ 250.2** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	2.699	2.399	12.5
Earnings	316	266	18.8
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1.595	1.416	12.6
Operating income	383	313	22.4
■ *Division sales*	*1987*	*1986*	*% chg*
Pharmaceutical	1.864	1.558	19.6
Consumer prods	835	841	(0.7)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	235	141	66.9
Business pub	1.435	1.236	16.1
Magazine	29.202	21.889	33.4
Newsp supp	83	135	(38.5)
Farm pub	534	436	22.7
Outdoor	263	679	(61.2)
Network TV	66.038	60.209	9.7
Spot TV	8.186	3.364	143.3
Network cable	2.870	3.151	(8.9)
Network radio	10.641	11.442	(7.0)
Spot radio	3.696	1.694	118.2
Measured	123.164	104.376	18.0
Unmeasured	127.000	108.000	17.6
Total	250.184	212.376	17.8

Schering-Plough propped up its major advertised unit, Maybelline, with its largest-ever advertising and promotion budget as the cosmetic's unit introduced 16 new products, revived sales and boosted market share by 1.5 share points.

Maybelline, which is expected to increase its sales by 15% this year, got $42 million in measured spending in 1987, up 20%. This helped Maybelline acquire a 19.5% share of the cosmetic's mass market, according to Value Line Investment Survey analyst Rudolph C. Carryl, who notes the share is second only to Noxell's Cover Girl line's 21.2%.

Other players include Revlon cosmetics, which has a 13.8% share, while Cosmair's L'Oreal holds 5.2% of that market.

Newly-assigned advertising agency, DDB Needham, Chicago, promoted the brand's product benefits with the theme, "Smart, Beautiful, Maybelline." The media emphasis has been on direct advertising via TV and print, because "Cosmetics are an advertising, not a promotion, business," a DDB Needham spokesman said.

Eye makeup continues to be Maybelline's strength. Successful new product launches in 1987 included Blooming Colors mascara in vivid colors and Color Wand powder eye shadows. Maybelline's mascara commands a 45% share in supermarkets, while Maybelline shadows account for 48% of that market, according to Salomon Bros. VP and cosmetics industry analyst, Diana K. Temple. The biggest single product support went to Maybelline mascara, which received $14 million in measured media, up 54% from 1986.

Coppertone Suntan Products, part of Schering-Plough's proprietary medicines and toiletries segment, its second largest consumer segment, maintained leadership in the $250 million suncare products category, with close to a 20% share of that market, according to Jim Saberton, senior consultant with Fairfield, N.J.-based Kline & Co., marketing consultants.

Coppertone's distant competitors include Charles of the Ritz's Bain de Soleil line, which has a 10% share, and Schering-Plough's own Tropical Blend, which is tied with Tanning Research Laboratories' Hawaiian Tropic brand for between a 5%-8% share. Coppertone's Water Babies children's suncare product line was extended to include formulas which offer higher levels of sun blockage. The entire Coppertone line received nearly $5 million in measured media support.

In April of this year, Schering-Plough pulled three brands, totaling about $20 million in measured spending, from Ogilvy & Mather Advertising, following a reported dispute over ad claims made by Schering-Plough. Those products were Fibre Trim diet plan, Ocu-Clear eye drops and Chlor-Trimeton allergy medicine. Ogilvy & Mather continues to promote Drixoral, while Fibre Trim and Ocu-Clear are as yet unassigned. Chlor-Trimeton was assigned to Ketchum/Hicks & Griest Advertising, New York.

Fibre Trim diet plan continues to perform well in the $400 million diet-aid category, though its share has declined since first taking the lead following its 1985 introduction. In 1986, Fibre Trim held a 30% share of the market, but that figure dropped to 15% in 1987, relegating Fibre Trim to the No. 2 position. Thompson Medical Co.'s Dexatrim leads the category with a 30% share, while Ciba-Geigy Corp.'s Accutrim is close behind Fibre Trim with a 12%-15% share. Fibre Trim received around $10 million in measured support last year. A line extension product, easy-to-use Fibre Trim Sparkling Fruit Tabs, is expected to bolster the brand, following its introduction in December 1987, backed by a reported $28 million budget.

Drixoral, the prescription cold medication that went OTC in 1982, received $6.6 million in measured spending, up from $1.5 million in 1986 as Schering-Plough introduced it to network TV. Drixoral maintain its 7% market share, and product sales grew along with the category, according to Mr. Saberton of Kline & Co. The product got a Drixoral-Plus line extension.

Leading the $700 million cold medications category are Procter & Gamble's Nyquil, with a 12.5% share, Miles' (Bayer) Alka-Seltzer, with a 9% share, and Burroughs-Wellcome's combined 8%-8.5% share for its Actifed and Sudafed products, Mr. Saberton said.

Led by the immense success of the new Dura Soft 3 Colors contact lens line, vision-care sales for Schering-Plough's Wesley-Jessen subsidiary more than doubled to about $100 million aided by measured spending of $8.6 million, according to BAR/LNA.

W-J estimates that Dura Soft Colors sales were responsible last year for one-half the growth of the entire contact lens market. Niched as offering the only opaque colored lens on the market, the line represents one-third of the market for tinted lenses.

During 1987, the color range of the opaque lenses for dark eyes was broadened, and lenses for light eyes were introduced at the end of 1987. The line now offers various shades of blue and green, hazel and aqua. A violet shade is expected to debut in the fall, pending FDA approval. A new lens for astigmatism was introduced in 1988, as well as a new solutions line for contact lens users.

Schering-Plough's plans to acquire the worldwide contact lens operations of the Cooper Co., Palo Alto, Calif., have been put on hold because of regulatory objections from the FTC. The acquisition would have nearly doubled Schering-Plough's vision-care business. Cooper reportedly had $80 million in revenues in 1987.

Schering-Plough completed its divestiture of the international side of Dr. Scholl's businesses in August 1987, while Scholl USA, Memphis, named a new agency, Della Femina McNamee WCRS, New York, to handle its $7 million footcare advertising, after Backer Spielvogel Bates resigned the account earlier this year.

SCHERING-PLOUGH CORP.
One Giralda Farms
Madison, N.J. 07940-1026
(201) 822-7000

Consumer Operations
Memphis, Tenn.

Corporate personnel: R. Lee Jenkins, exec vp

Corporate media buying: Lake-Spiro-Shurman, Memphis: Avron Spiro Jr., president; Gene Camerik, vp-media resources; Robert Maxwell, dir-mktg svcs; Ron Mednick, vp-media planning; Lewis Nolan, vp-comm; Lynn Sanders, vp-natl media

Maybelline USA
Memphis, Tenn.

Corporate personnel: David C. Brittain, president

Marketing personnel: Gary Mulloy, exec vp-adv & mktg rsch; David Blanton, vp-adv

Brands/services by agency of record:

Maybelline cosmetics

Ad agency: DDB Needham, Worldwide, Chicago: Dawn Hudson, sr vp-group acct super; Pam Mikulec, vp-mgmt rep; Ron Raskin, Catherine Schulte, acct supers; John Davidoff, Beth Kennedy, Tim Hawley, acct execs; Pam Hering, asst acct exec

Personal Care Products
(Plough USA, Scholl USA)
Memphis, Tenn.

Corporate personnel: Michael A. Pietrangelo, president

Marketing personnel: Gerry Nobrega, sr vp-mktg & adv; Russell Elliot, sr vp-mktg, adv rsch; Robert Cullen, vp-new prods; Steve Bobowski, vp-suncare prods; Ruth Carlson, vp-footcare prods; Randy Millian, business dir-otc medicines; Tim Ballage, dir-mktg, new prods; Miller Slaughter, dir-mktg, suncare prods

Pharmaceutical Operation
Schering Laboratories
Kenilworth, N.J.

Marketing personnel: J.P. Garnier, sr vp-otc; Rogers Campbell, dir-new prods; Steve Schneider, sr vp-Rx; Robert Nissen, Kent Stephan, Edward Heimers, Joshua Weinstein, dirs-mktg

Brands/services by agency of record:

Schering Veterinary ethical prods

Ad agency: Bergelt Advertising, New York: Edward Bergelt, chmn; Robert Trybus, president; John Fraoli, vp-art dir; Jay Levy, acct exec

■

Aftate
Di-Gel
Solarcain
Tropical Blend

Ad agency: Bloom Cos., Dallas: Charlie Calise, acct super

■

American Scientific Laboratories
Continental Animal Health

Ad agency: Bryant, Lahey & Barnes, Overland Park, Kansas: Forrest Bryat, president; Lorraine Barnes, vp-acct super

■

Calcigum
Coppertone
Dr. Scholl's
Feen-A-Mint
New prods
otc drugs
Stay-Trim

Ad agency: Della Femina, McNamee WCRS, New York: Matt Mansfield, group dir; Joanne Tilove, mgmt super; Barbara Alexander, acct super; Cordelia Wills, acct exec; Patti Ciambra, acct exec (Dr. Scholl's, Coppertone)

■

Chlor-Trimeton

Ad agency: Ketchum/Hicks & Griest Advertising, New York: Dale Bornstein, acct exec

■

Drixoral

Ad agency: Ogilvy & Mather, New York: Jack Ditchman, sr vp, dir-U.S. buying

■

Correctol
Duration
Shade

Ad agency: Warwick Advertising, New York: Andy Mockler, sr vp-mgmt super; Marshall Post, acct super; Katherine Stuart, asst acct exec

■

Prescription prods

Ad agencies: Robert A. Becker, Inc., New York: Robert A. Becker, president; Raymond Perry, sr vp-mgmt super

Lewis, Gilman & Kynett, Philadelphia: Charles Mathias, vp-acct super; Warren Dordine, acct exec

William Douglas McAdams, New York: Irwin Gerson, president; Anthony D'Onofrio, sr vp; Joseph Carobene, vp-acct super; Irving Swab, acct super

Rolf Werner Rosenthal Inc., New York: Rolf W. Rosenthal, president-ceo; Ronald J. Souza, sr vp, dir-client svcs; Phil Brady, vp-acct group super; Paul Schneider, acct super

Wesley-Jessen
Chicago, Ill.

Marketing personnel: Grady A. Deal, president; Fred Fritz, vp-mktg, sales; Thomas Steiner, dir-mktg

Brands/services by agency of record:

Wesley-Jessen

Ad agency: Young & Rubicam, Chicago: Dana Anderson, vp-mgmt super; Michael Powers, acct super; Marry Hasten, acct exec

RANK
70

Seagram Co.

New York
ADVERTISING **$ 122.3** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3.815	3.345	14.1
Earnings	521	423	23.2
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1.686	1.778	(5.2)
Operating income	(59)	(67)	(11.9)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	4.183	6.417	(34.8)
Business pub	626	603	3.9
Magazine	22.754	24.156	(5.8)
Newsp supp	2.106	3.545	(40.6)
Outdoor	13.789	10.175	35.5
Network TV	30.847	23.100	33.5
Spot TV	12.328	13.403	(8.0)
Network cable	556	567	(1.9)
Network radio	297	1.959	(84.8)
Spot radio	3.839	519	640.0
Measured	91.325	84.443	8.2
Unmeasured	31.000	28.000	10.7
Total	122.325	112.443	8.8

Jos. E. Seagram & Sons, the U.S. arm of Seagram Co. Ltd., has shifted marketing emphasis to its top brands, diversified through acquisition and continued to emphasize heavy ad spending to try to reverse the units overall decline in sales.

The company credits the reorganization of Seagram's U.S. subsidiaries in 1987 with producing higher sales for several of its liquor lines—Chivas Regal, V.O., 7 Crown and Seagram's Gin, despite an industry-wide slump in U.S. liquor consumption.

And marketing emphasis more than ever is being placed on the company's top-selling brands: Chivas Regal, Canadian Club, V.O., 7 Crown and The Glenlivet—Seagram's single malt scotch whisky and the market leader in the category.

Seagram has broadened existing market categories and entered a new one this year through two acquisitions, both in April 1988. The biggest purchase was that of Tropicana Products Inc., a leading U.S. producer of premium-branded fruit juices and juice beverages, from Beatrice Cos. for $1.2 billion. This places Seagram in the non-alcoholic beverage field.

Headquartered in the juice country of Bradenton, Fla., Tropicana leads the rapidly-growing and increasingly competitive ready-to-serve orange juice segment.

Tropicana, whose 1987 revenues totaled $760 million, commands a 32% share to Coca-Cola Foods' Minute Maid's 19% of the ready-to-serve market. Tropicana had enjoyed exclusivity in the

LETTERS! LOGOS! SIGNS!
Four product lines to choose from!
• PLASTIC • FOAM • VINYL • MITTENITE®
Call or write today for your
free, full color, 64 page catalog!
TOLL FREE 1-800-237-9447
★VISIT OUR NY SHOWROOM/OUTLET
85 FIFTH AVE. MANHATTAN - (212) 741-1000
Headquarters: Sarasota, FL
Scott Plastics Co.® P.O. Box 1047 Tallevast, FL 34270 (813) 355-5171
LETTERS & SIGNS

ready-to-serve chilled orange-juice segment of the market, but Minute Maid's introduction of Premium Choice ready-to-serve takes direct aim at Tropicana on its home turf—the Northeast. Because 70% of Tropicana's sales are east of the Mississippi, company officials intend to expand the market westward and north to Canada this year. Minute Maid leads the frozen orange juice category with a 30.6% share of market to Tropicana's 9.7%, and Citrus Hill's (Procter & Gamble) 9%. Overall, Minute Maid had 22% of the o.j. market compared to Tropicana's 18% for 12 months ended May 31, according to A.C. Nielsen.

Armed with an ad budget of over $20 million in measured spending, Seagram's Tropicana line has the potential to expand in North America and also into international markets. Another possible diversification could be the development of new beverage products that combine juice and a Seagram's spirits product, said Marie L. Conway, analyst with Value Line Investment Survey.

The second big purchase was an $820 million expenditure for Martell SA, the second largest cognac producer in the world. Founded in 1715, Martell is one of only four internationally recognized cognacs in the world. Martell holds the No. 2 position in the market with an 18% share, and also produces the world's largest-selling Janneau Armagnac.

Hennessy, a subsidiary of Moet-Hennessy-Louis Vitton SA, leads the world market with a 20% share. The purchase of Martell allows Seagram to expand into international markets, especially in the Far East, where cognac is experiencing especially good growth. Cognac is one of the few sectors of the liquor business that's growing.

Chivas Regal Scotch continues to be Seagram's most successful international product. It is the largest-selling premium 12-year-old Scotch in the world. Last year, sales were up 22% over 1986. This past May, Chivas was imbued with a more youthful, active image in its first campaign in 25 years that replaced its long-standing "pinnacle of quality" theme. The new $12 million campaign from DDB Needham seeks to promote frequency of use with the new theme, "What are you saving the Chivas for?"

Among the top-selling U.S. brands, Seagram's 7 Crown is the largest-selling blended whiskey in North America, according to *Impact*, the New York-based alcoholic beverage industry newsletter. Seagram's 7 Crown received $4.6 million in measured media allotment last year, a boost of 35%.

The $1.6 billion wine-cooler market was flat in 1987 after several years of strong growth. However, of the four top brands in the category, only Seagram's coolers grew, gaining nearly 16 market share points, to take the No. 1 position with a 26% share. Dethroned Bartles & Jaymes from Gallo slipped to No. 2, with a 24% share, while Brown-Forman's California Cooler came up third with 12%, according to Frank Walter, director of research with *Impact*.

"Moonlighting" star Bruce Willis was replaced in the new Ogilvy & Mather campaign, despite the phenomenal growth of the brand while he was spokesman. The new $30 million Seagram's Wine Cooler campaign features a trio of stars: "Cheers" star Woody Harrelson, "Fatal Attraction" actress Anne Archer (she played the wife) and comedian Steve Guttenberg.

Imported champagne was another area where Seagram held its own in 1987. It held No. 2 and No. 3 positions in the $700 million champagne category with Mumm (3.6% share) and Perrier-Jouet (1.6%). Moet/Chandon from Schieffelin & Co. held the top spot with an 8.6% share, according to Mr. Walter of *Impact*.

Seagram also signed a sales and marketing agreement with Tequilas of Herradura for a premium tequila brand of the same name last year, which gives Seagram its first niche in this popular market segment.

The company will be entering the Chinese market soon, under a joint marketing agreement signed in April with China Distillery in Shanghai to produce wine coolers, whiskeys and sparkling wines for the Far East in addition to the Chinese market. The joint venture will be known as Shanghai Seagram Ltd.

Edgar Bronfman Jr., son of the company's chairman, moved to corporate headquarters in the No. 2 spot behind his father. The son was president of the House of Seagram, a U.S. division of Jos. E. Seagram & Sons, prior to recently being appointed exec vp of U.S. corporate parent, Jos. E. Seagram & Sons. The newly-named president of the House of Seagram is William G. Pietersen, who had been with Guinness America Inc. since 1986, and before that with Unilever for 18 years.

THE SEAGRAM CO. LTD.
1430 Peel Street
Montreal, Quebec
Canada H3A 1S9

Jos. E. Seagram & Sons
375 Park Ave.
New York, N.Y. 10152
(212) 572-7000

Corporate personnel: Edgar M. Bronfman, chmn; David G. Sacks, president; Edgar Bronfman Jr., exec vp-U.S. operations; Richard K. Goeltz, exec vp-finance; Stephen E. Herbits, exec vp-corp devel; Charles M. Andolsek, vp; Jeananne K. Hauswald, treas; Dr. Leslie Bluhm, vp-rsch & devel; Richard Swigart, vp-corp pr; Ronald P. Carzoli, vp-human resources; Wesley A. Corner, vp-packaging; Edward Falkenberg, vp-controller; William K. Friedman, vp-corp affairs; Arthur S. Margolin, vp-special asst to office of chmn & president; M. Jacqueline McCurdy, vp-state & industry relations; Edward F. McDonnell, president, Seagram Int'l. Daniel R. Paladino, vp-genl counsel & secty; Stephen Shechtman, vp-financial planning.

House of Seagram
New York

Marketing personnel: William G. Pietersen, president; Jerome S. Mann, exec vp-sales; Martin H. Bart, sr vp-sales; Joel Boyarski, exec vp-finance & admin; James L. Chadwick, dir-mktg; Henry B. Hawley, vp-new prods; Ellice Matsil, vp-mktg rsch & planning; C. Richard Coffey, president-The Seagram Beverage Co.; Andrew Harman, vp-sales svcs; Sheldon Katz, vp-sales; Thomas K. McInerney, vp, dir-prod mgr; Sandra J. Ruch, vp-pr & events mktg; Donald Nickless, vp-mfg; Arthur Shapiro, vp-mktg svcs; Michael R. Stagliano, vp-control states relations; Alan Goidin, vp-media; Richard P. Shaw, Angelo Vassallo, vps, dirs-mktg; Lawrence J. Weiss, vp-natl acct sales.

Seagram Beverage Co.
(part of House of Seagram)

Corporate personnel: C. Richard Coffey, president.

Marketing personnel: Mark Tazel, exec vp-mktg; Alysia Cohen, vp, dir-mktg strategy; Robert O'Dowd, vp-mktg svcs; Vincent Partridge, vp-promo & mktg.

Seagram Classic Wine Co.

Marketing personnel: Sam Bronfman II, president; James L. Bareuther, exec vp-mktg & sales; Michael Harbison, exec vp-finance & admin; Louis Keyes, vp, dir-mktg; John Esposito, vp, natl sales mgr; Arnould Despointes, dir-Barton & Guestier Wines (B&G), N. America; Yoram Kafkafi, dir-Carmel, Brolio, Kayser wines, N. America; Barbara Edelman, dir-pr.

Seagram Chateau & Estate Wines Co.

Marketing personnel: Abdallah H. Simon, chmn; David S. Milligan, president; George Sandeman, vp-mktg; John W. Laird, vp-sales mgr; Maurice Lartigau, sr vp.

Brands/services by agency of record:

Captain Morgan Rum
Chivas Regal
Crown Royal
Leroux cordials
Lord Calvert Canadian

You need
Big Systems for
Volume Promotions

Young America's power systems for promotion fulfillment can move mountains of responses...swiftly, accurately, efficiently. Our information package shows how state-of-the-art facilities, systems and people can work together to button up your promotion cost-effectively, no matter how large. Call for your copy. 1-800-255-6850.
We Keep Your Promises

young america corporation
717 Faxon Road, Young America, MN 55397

Mumm V.S.O.P. Cognac
Myers' Rum
Royal Salute

Ad agency: DDB Needham Worldwide, New York: Mark Abrams, sr vp-mgmt super; Thom Dean, Chris Abelt, acct supers; Nancy Bick Barbara Callahan, Hollis Barickman, acct execs.

■

Natl acct sales for foodservice

Ad agency: The Food Group, New York: Donald Axleroad, president; Philip Pearlman, creative dir; Richard Vetter, media dir; Ted Sanko, acct super; Denise Mitchell, acct exec.

■

Bandiera
Barton & Guestier (B&G) wines
Carmel
Castello d'Albola wines, corp ads
Charles Krug Wines
C.K. Mondavi
Kayser
Mirassou Vineyards
The Monterey Vineyard
Mumm Champagne
Mumm Cuvee Napa sparkling wine
Sterling Vineyards

Ad agency: Grey Advertising, San Francisco: Tom Banks, vp-mgmt super; Alan Abrams, vp-acct super; Michele Gerus, acct exec.

■

Armagnac DeMontal
Brolio
Calvert Extra
Crown Russe Vodka
Kessler
Kessler Whiskey
Nikolai Vodka
Passport Scotch
Ronrico Rum
Tuaca Liqueur
Wolfschmidt Vodka

Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Jane Pack, group dir; Steve Barkan, sr vp-acct super; Trish Sullivan, asst acct exec.

■

Ethnic adv for various brands

Ad agency: The Mingo Group, New York: Bill McGugins, vp-mgmt super; Cliff Ruffins, acct super.

■

Boodles Gin
Canadian Hunter
Golden Spirits
House of Seagram corp
Seagram's Gin
Seagram Wine Coolers
7 Crown
The Glenlivet, V.O.

Ad agency: Ogilvy & Mather, New York: Donald Blashford, vp-mgmt super; Steele Hays, Anthony Nieves, Jane Gundell, acct supers; Young Sun, Susan Tamoney, acct execs.

■

Herradura Tequila
Jameson Premium Irish Whiskey
New prods

Ad agency: Wells, Rich, Greene, New York: Chris Hansen, exec vp-acct group head; Joan Overlock, sr vp-mgmt super; Louise Oelbaum, acct super.

Tropicana Products
Bradenton, Fla.

Corporate personnel: Robert Soran, president.

Marketing personnel: Robert Weisman, sr vp-mktg.

Brands/services by agency of record:

Tropicana

Ad agency: Leo Burnett USA, Chicago: Mike Hall, acct dir; Peter Picard, Bob Hall, acct supers.

RANK
4

Sears, Roebuck & Co.

Chicago
ADVERTISING: **$ 886.5** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	48.440	44.281	9.4
Earnings	1.649	1.351	22.1
■ Division sales	**1987**	**1986**	**% chg**
Sears	28.085	27.074	3.7
Allstate	15.556	12.636	23.1
Dean Witter	3.995	3.415	17.0
Coldwell Banker	1.244	1.152	8.0
Other	176	489	(64.0)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Business pub	761	741	2.6
Magazine	21.608	42.934	(49.7)
Newsp supp	6.411	3.247	97.5
Outdoor	772	309	150.0
Network TV	89.973	127.804	(29.6)
Spot TV	25.765	29.226	(11.8)
Network cable	2.327	2.552	(8.8)
Network radio	52.701	47.658	10.6
Spot radio	21.211	21.928	(3.3)
Measured	221.529	276.398	(19.9)
Unmeasured	665.000	829.000	(19.8)
Total	886.529	1.105.398	(19.8)

Sears, Roebuck & Co., the nation's No. 1 retailer, is making major changes to fend off encroachment from mass merchandisers and specialty retailers. From the corporate offices in Sears Tower to its automotive service departments, the company is overhauling its management and marketing strategies, to become more focused and aggressive.

After reporting lackluster earnings in 1987 from the Sears Merchandise Group, the company took several pivotal steps in 1988. Sears first announced a restructuring of its headquarters operation in early 1988, followed by a record number of acquisitions and new ventures aimed at helping the company catch up with its specialty retailing competition.

The restructuring resulted in the reassignment and dismissal of several top executives, the creation of new key positions and the beginning of a gradual reduction of its 8,000-member headquarters workforce, mainly through attrition.

In the fall of 1988, Sears also said it would replace its three-year-old umbrella ad slogan: "There's more for your life at Sears," with: "Sears: your money's worth and a whole lot more." The new slogan actually has been used in Canada since 1980. Michael Bozic, chairman and CEO of the Merchandise Group, was formerly head of operations in Canada and influenced the company's decision to adopt the "your money's worth" slogan.

Shortly after announcing the new slogan, Sears also said it planned a new TV ad push to start in late 1988, running for at least 18 months. The focus will be on its strongest private brands, including Kenmore appliances, Craftsman tools and DieHard batteries.

Ogilvy & Mather, Chicago, remains Sears' agency-of-record for the entire Merchandise Group, following the consolidation of its account there in 1986.

Overall media spending for the merchandise group was down 36% in 1987, excluding local newspaper advertising, where Sears spends heavily.

Despite its vast experience in newspaper advertising, Sears clashed with the New York City Department of Consumer Affairs in 1988, which claimed that certain ads for services and merchandise were "deceptive and misleading." Among other charges, the agency said Sears used false deadlines in several ads for carpet cleaning services, to create the impression that customers had to hurry in to take advantage of sales.

Sears changed the ads in question, but challenged the agency in Federal District Court saying that New York City's regulations hindered its ability to advertise nationally, which is a growing concern among big retailers.

In 1988 the Merchandise Group made dramatic efforts to specialize, by acquiring new retailing operations and opening a variety of new in-store specialty departments and free standing stores.

Sears doubled the size of its Eye Care Centers of America optical store chain, and in August, renamed the 80-store division Eyemasters; Chiat/Day, Venice, Calif., handles the $7 million account.

After acquiring the 25-store chain of Pinstripe Petites, Sears was a bidder for several other apparel chains, including Talbots and Eddie Bauer Inc., but neither deal was consummated.

Meanwhile, the company debuted an in-store specialty department, carrying young women's apparel in all of its 800 stores, called Mainframe. Separate print advertising for Mainframe ran in *Seventeen* magazine, targeting teenagers.

Its biggest acquisition to date came in March, when Sears bought Western Auto Supply, Kansas City, Mo., for $250 million. The company gained 278 corporate stores and wholesale distribution to 1,500 independently-owned franchised outlets. Sears continues to run the division under the Western Auto name.

In August, Sears also debuted in-store home electronics and appliance "superstores," named Brand Central in 13 Indianapolis stores. The Brand Central departments carry over 60 national brands alongside its top-selling Kenmore lines. Sears plans to roll out Brand Central departments in its general stores through 1990, while it tests some free standing outlets in 1989.

To keep up with competitors, including Montgomery Ward & Co.'s Electric Avenue outlets, Sears promised to match the advertised prices of any competitors' identical merchandise.

Next, Sears launched its first free standing McKids store, in a test in a Chicago shopping mall, followed by six more in the area. The new concept was built on Sears' successful introduction of McKids departments inside its stores in 1987, through a licensing agreement with McDonald's Corp.

The new McKids stores will be tested in 20 to 40 mall locations through 1989, targeting dual-income, upscale families. The stores carry McKids-brand clothing, plus other brand-name apparel, toys and books.

Sears also opened its first free standing RoadHandler Car Care center in Chicago in August, which it will test.

In 1989 Sears also will try out its first "neighborhood store" concept in Chicago, in a test that was originally planned for the fall of 1988.

The medium-sized store may become a new format for Sears, in densely-populated urban or suburban areas where customers don't have access to a full-line department store. The smaller stores will feature selected apparel, home furnishings and a catalog pick-up area.

Sears opens its first free standing Home Furnishings Center in Manhattan in 1989, and it continues to test three Sleep Shops outlets in Miami.

The company continues its marketing relationship with Walt Disney, which resulted in its promotion of the re-release of the movie "Bambi" and a new movie called "Oliver & Co." in 1988, which were supported by TV advertising.

Sears also teamed with McDonald's and General Motors Corp. in 1988 for its second successful giveaway promotion tied to the game Monopoly, in which the three spent a total of around $70 million advertising the promotion.

The Dean Witter Financial Services Group, New York, reported that the Discover card showed a profit for the first time in the second quarter of 1988. Dean Witter predicts the card will be solidly profitable in 1989.

The $35 million Discover account moved to DDB Needham, Chicago from J. Walter Thompson USA. New TV spots from Needham in 1988 were aimed at driving up card use in restaurants and retail locations.

In July 1988, Dean Witter suddenly announced it would move its $10 million brokerage services account to Leo Burnett, Chicago, from Lord, Geller, Federico, Einstein, without conducting a review.

Burnett now has $40 million in billings from Sears, including its 30-year, $30-million relationship with Allstate, which continues its theme: "You're in good hands with Allstate." The insurance division, which in 1987 introduced the Allstate Advantage auto insurance product, reportedly will roll out more new products and may increase its budget in 1989.

In mid-1988, Allstate handed the management of its Mature Outlook travel club for senior citizens to Des Moines-based Meredith Corp., but it retains ownership of the operation.

The Coldwell Banker Real Estate Group, whose $2 million account remains at BBDO, Los Angeles, in 1987 introduced an aggressive multi-media ad campaign designed around its "Expect the best" residential real estate brokerage program. The Coldwell Banker division continues to expand its holdings in shopping centers across the country through its Homart Development Co.

SEARS, ROEBUCK & CO.
Sears Tower
Chicago, Ill., 60684
(312) 875-2500

Sears Merchandise Group
Chicago

Marketing personnel: Michael Bozic, chmn & ceo-merch group; Matthew A. Howard, sr exec vp-merch; G. Joseph Reddington, sr exec vp-field merch; Alfred G. Goldstein, president-Sears specialty merch; Eric D. Saunders, sr vp-admin & planning; Everett L. Buckardt, exec vp-catalog, direct mktg; Thomas E. Morris, vp-mktg; Ralph Hoch, natl retail genl merch mgr; A. Thomas Royal, natl catalog genl merch mgr; William Cora, natl retail adv mgr.

Brands/services by agency of record:

Black consumer adv

Ad agency: Vince Cullers Advertising, Chicago: Jeffrey Cullers, mgmt super.

■

Hispanic adv

Ad agency: Hispania Advertising (sub. of JWT USA), New York: Caroline Demy, sr vp-genl mgr; Marta Perez Gerdez, acct super, Chicago; Nancy Chalfin, acct rep.

■

Yellow Pages adv

Ad agency: Nelson-Woodward, Chicago: Garry Woodward, acct exec.

■

Sears Merchandise Group

Ad agency: Ogilvy & Mather, Chicago: William E. Whitney Jr., exec vp, president-O&M Chicago; Bruce Beach, sr vp-genl mgr; Allan Mager, sr vp-client svc dir; John Goyert, group dir; Dan Delaney, Bruce Jasurda, vps-mgmt supers; Jeff Totaro, vp-acct super; Brian Kelly, Chuck Otto, Ole Riise, Paula Serios, acct supers; Stephan Ban, Marcy Barson, Mike Diefenbach, Steven Fenoglio, Kim Gryka, Dina Kaplan, Colleen Kelly, acct execs.

■

Sears Business Systems Centers

Ad agency: Barkley & Evergreen, Shawnee Mission, Kan.: Mark Pfefferkorn, group super; Kim Steutermann, sr acct exec.

■

Sales promo

Ad agency: Ogilvy & Mather Promotions, Chicago: James Neidorf, vp-dir; Bill McBride, deputy dir; Janie Frank, Mark Schwartz, acct super.

Sears Financial Network
Chicago

Marketing personnel: Charles Hughes, mktg mgr.

Brands/services by agency of record:

Sears Financial Network

Ad agency: Marcoa Direct Advertising, Chicago: John Rosenberger, vp-acct super; Camille Thiele, asst acct super.

Allstate Insurance Group
Northbrook, Ill.

Coporate personnel: John K. O'Loughlin, sr exec vp.

Marketing personnel: Terre Tuzzolino, asst vp-adv; John Flieder, corp mktg support; John W. Houser, Ginny Clark, adv mgrs; Ellen Steele, sr mktg project mgr.

Brands/services by agency of record:

Allstate insurance

Ad agency: Leo Burnett USA, Chicago: Ron Sims, acct dir; Mike Miller, acct super; Karyn Myers, Collette Heaphy, Dana Saulsberry, acct execs.

Coldwell Bankers
Real Estate Group
Los Angeles

Marketing personnel: Jack Hull, vp-mktg, residential; Jesse Harrill, exec dir-corp comm-commercial.

Brands/services by agency of record:

Coldwell Bankers

Ad agency: BBDO/West, Los Angeles: Rich Jarc, sr vp-mgmt super; Tracey Reife, sr acct exec; Susan Sheridan, asst acct exec.

Dean Witter Financial Services Group
New York

Marketing personnel: Nancy S. Donovan, exec vp-mktg dir; William Walsh I, vp-dir adv; Ernest Campo, dir-adv, Discover Card Service; William Hodges, sr vp, chief mktg officer-Discover Card.

Brands/services by agency of record:

Dean Witter brokerage-dealer

Ad agency: Leo Burnett USA, Chicago: Bill Boris, exec vp-client svcs; Bill Whitman, acct dir.

■

Discover Card svc

Ad agency: DDB Needham, Chicago: Joe Hochberg, president; Tom Hanft, group acct dir; Elaine Roach, Anthony Priore, acct supers; Amrita Chugh, Kathy Kneip, acct execs.

RANK
96

Southland Corp.

Dallas
ADVERTISING: **$ 86.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	8.125	7.823	3.9
Earnings	(66)	190	(134.9)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	NA	34	NA
Business pub	218	217	0.6
Magazine	184	168	9.1
Newsp supp	0	66	NA
Outdoor	2.414	2.986	(19.2)
Network TV	68	866	(92.2)
Spot TV	30.693	11.655	163.3
Network cable	241	60	301.5
Spot radio	18.317	19.962	(8.2)
Measured	52.134	36.015	44.8
Unmeasured	34.000	24.000	41.7
Total	86.134	60.015	43.5

At the end of 1987, Dallas-based Southland Corp. returned to private status as members of the founding Thompson family completed a $4.9 billion leveraged buyout of the company best known for its 7-Eleven convenience stores.

To help finance the buyout, JT Acquisition Corp. formed by Thompson brothers John, Jere and Joe Jr. sold major secondary operations of Southland including Chief Auto Parts, its Dairies Group and nearly 1,000 of its 7-Eleven stores.

At the same time, the company narrowed its focus toward the convenience store business and toward streamlining operations.

Company spokeswoman Cecilia Norwood said Southland implemented a significant reorganization of its 7-Eleven operations in November and December of 1987 as final placement of financing for the buyout was being completed. As part of the reorganization, the company eliminated two levels of management and doubled the number of divisions to 32 to allow managers to focus more on specific markets, she said.

The market-specific approach applies to advertising as well, Norwood said, as divisions have been given more flexibility to respond to market conditions. She said Southland is putting more emphasis on

THE TOLL-FREE 24 HOUR 7 DAY ANSWER

USA 800

America's leading corporate toll-free service:

- The **Fortune 500's** most recognized toll-free service.
- Increase ad response for sales leads, credit card orders, product information, special promotions, and other programs.
- Inbound, Outbound (WATS), and Fulfillment.
- Also serving Canada and the United Kingdom.

CALL TODAY TO FIND OUT MORE!

USA 800 1-800-821-7700 ext.2000
Kansas City, MO · Stamford, CT

EXECUTIVE RECRUITMENT

MARKETING
PRODUCT MANAGEMENT
SALES PROMOTION

We are proud to announce our 8th year of serving clients who represent a cross section of the finest National Consumer Packaged Goods Firms and their Agencies. These firms range from small to Fortune 500.

DE LALLA • FRIED ASSOCIATES
201 EAST 69TH STREET, NEW YORK, NY 10021 (212) 879-9100

point-of-purchase promotions. "We are trying to merchandise better, and found in-store displays to be very effective," she said. "We are trying to pinpoint vehicles for specific markets."

The more market-specific approach does not mean Southland plans to abandon national efforts, but in this arena, too, the company is looking for extra value for its ad investments. For example, in the past year Southland has linked with two high-profile companies for special promotions—first with the Coca-Cola Co. in an introduction of a Coca-Cola-flavored Slurpee and last July with Oscar Mayer hot dogs in its "Big Bite" promotion.

Currently Southland is reorganizing its national ad effort with a review of the estimated $12 million retail account previously held by Hill, Holliday, Connors, Cosmopulos, New York. Ties also were severed with two agencies that worked primarily with divisions no longer owned by the company—Davis, Johnson, Mogul & Colombatto of Los Angeles, which handled specialty retail advertising and The Richards Group of Dallas, which worked with the manufacturing and distributing divisions.

However, Southland has maintained its tie with W.B. Doner & Co., Southfield, Mich., which has been handling special projects for 7-Eleven stores.

Doner's most notable work for 7-Eleven was a series of TV commercials featuring Dabney Coleman promoting the regular low prices the convenience stores offer on everyday products.

The spots aired primarily in May, June and July in Southland's major markets of Florida, Arizona and Texas.

While the company declined to discuss ad spending, it appears the early summer promotion added significantly to Southland's spending for TV in 1987. BAR/LNA Multi-Media Service reported Southland spent nearly $30.7 million in spot and network TV in 1987 compared to about $12.4 million in 1986.

Overall, BAR/LNA reported Southland spent nearly $33.6 million in seven measured media in 1987 compared with $15.8 million in 1986. For 1988, the company's ad expenses are expected to decline since some of the operations it sold shared in the overall ad budget in 1987 and because of the company's emphasis on overall efficiency.

Operations that were sold include 270 Houston stores in National Convenience Stores Inc. of Houston ($80 million), 473 stores in 10 states to The Circle K Corp. ($47 million) and 21 Missouri stores to FFP Operating Partners.

Southland now operates 7,200 7-Elevens in the U.S. and Canada, down from 7,818 at the end of 1987. It also operates 432 other convenience stores, and its licensees and affiliates operate another 4,600-plus stores in 14 foreign countries, Puerto Rico, Guam and parts of the U.S.

It sold its MovieQuik videocassette rental division to Cevaxs U.S. Corp. of Vancouver, B.C., for about $52 million. Included in the agreement was a nine-year distribution contract for Cevaxs to operate rentals in 4,100 7-Elevens.

Southland sold its Chief Auto Parts division, including 469 stores, to Chief Auto Parts Inc., a corporation formed by Chief's management and Shearson Lehman Brothers. The purchase price was more than $130 million in cash and assumption of certain liabilities.

A second group of Southland managers and investors led a $243 million buyout of the company dairies' food company and formed MorningStar Foods in Dallas.

The company also sold its Reddy Ice and Tidel Systems divisions.

Southland retained its 50% ownership in Citgo Petroleum Corp. and owns five distribution centers and six food centers to support its stores.

In 1987, Southland continued to expand its fast-food program both by increasing its fresh-food offerings like deli-style sandwiches, nachos and pizza as well as testing more branded fresh products like Dunkin' and Winchell's doughnuts.

SOUTHLAND CORP.
2828 N. Haskell Ave.
Dallas, Texas 75204
(214) 828-7011

Corporate personnel: John Thompson, chmn; Jere W. Thompson, president-ceo.
Marketing personnel: S. Richard Dole, exec vp-retail stores; John Antioco, vp-mktg & retail; Fred Bradshaw, adv & comm mgr; Marva Cathey, adv devel mgr; Rod Brehm, natl mktg mgr.
Brands/services by agency of record:
7-Eleven stores project work
Ad agency: W.B. Doner & Co., Southfield, Mich.: Alan Kalter, exec vp; Jon Katov, acct super.

RANK
86

Stroh Brewery Co.

Detroit
ADVERTISING: **$ 102.9** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	1,430	1,499	(4.6)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	748	880	(15.0)
Business pub	168	128	31.2
Magazine	295	4,569	(93.6)
Newsp supp	0	69	NA
Outdoor	986	882	11.9
Network TV	35,567	42,207	(15.7)
Spot TV	15,764	14,120	11.6
Network cable	1,358	1,070	26.9
Network radio	518	1,378	(62.4)
Spot radio	2,475	6,991	(64.6)
Measured	57,878	72,294	(19.9)
Unmeasured	45,000	56,000	(19.6)
Total	102,878	128,294	(19.8)

Privately-held Stroh Brewery Co. maintained its No. 3 ranking among U.S. brewers in 1987, but its market share dropped for the third consecutive year, to 11.9% from 12.5% in the previous year.

In an effort to stop the slide, Stroh hired San Francisco-based Hal Riney & Partners in July 1988 as agency for the family-owned company's flagship Stroh and Stroh Light brands and premium Signature brand, replacing Lowe Marschalk, New York.

Considering Riney's creative reputation, industry observers were predicting the second demise of the Stroh brand spokesdog, Alex, who returned in November 1987 after a three-year hiatus to pitch Stroh and Stroh light. Alex fetched higher ad awareness for the brands than the preceding campaign, a good times-good friends-good beer approach to the theme, "Stroh's is spoken here." But some observers believed Alex overshadowed the brand and didn't generate new sales. Stroh also reduced ad spending for its premium brands in 1987 by 7.4% to $25.1 million.

Stroh's total beer shipments declined 5.3% last year to 21.6 million barrels, according to Emanuel Goldman, analyst for PaineWebber, San Francisco. Top ranking Anheuser-Busch maintained its No. 1 spot in 1987, securing approximately 41% of the domestic beer market, while No. 2 ranked Miller Brewing Co. holds a 21% share of the market.

Stroh's biggest selling brand, Old Milwaukee, dropped 2.7% in 1987 to 7.3 million bbls., but Old Milwaukee Light shipments increased 5.2% to 2 million bbls.

Stroh sharply increased ad spending on its leading popular-priced Old Milwaukee brands to $17.1 million, up 30.4%. Its second best-selling brand, Schaefer and Schaefer Light, shipped 4.2 million bbls., in 1987, down 2.3%. Schaefer drew only $285,500 in advertising, down 15%.

The brewer's premium Stroh and Stroh Light brands placed third in its lineup with 3.7 million bbls., shipped in 1987, down 7.5%.

In October 1987 Stroh sold its specialty beer, Erlanger, to the Dubuque Star Brewing Co., Milwaukee, claiming it was unable to give the high-end lager the marketing attention it deserved.

Stroh's Sundance Natural Juice Sparklers, a 70% fruit juice/30% sparkling water positioned between 10% juice-added soft drinks and bottled waters and seltzers, received measured media spending in 1987 of $4.6 million in a seven-market rollout beginning in June 1987. The product went national in June 1988.

This April, Stroh introduced in select markets its High Five 10% fruit-juice soft drink, first tested last October in Salt Lake City.

Stroh's White Mountain Cooler is struggling to maintain its presence in the cooler market. The beverage is rated No. 5 in the overall cooler market, though it is the top seller among malt-based coolers. Leaders in the wine cooler industry are Jos. E. Seagram & Sons and No. 2 Bartles & Jaymes, distributed by E&J Gallo Winery. Shipments of Stroh's White Mountain Cooler declined in 1987 to 4,615 cases, a 23.1% drop from the year before, estimates *Impact*, a liquor industry newsletter.

Stroh significantly decreased its measured spending for its brand of wine coolers in 1987, spending only $3.7 million, down from $14.2 million. In 1988, Stroh dropped out of TV advertising for the brand, concentrating instead on a radio campaign that featured up-and-coming comics delivering comedy routines.

Stroh is an active sponsor of hydroplane racing, fishing, golfing, equestrian events and motorsports. Stroh also sponsored a group of 14 racecar drivers, a group dubbed the "Stroh Bonus Pack." On the cultural side, it sponsors the Stroh Summer Jazz series, the Montreux Detroit Jazz Festival and the Atlanta Jazz Festival.

STROH BREWERY CO.
100 River Place
Detroit, Mich. 48207
(313) 446-2000

Marketing personnel: Roger Fridholm, president; John Hellweg, vp-mktg svcs; Pete Cline, vp-sales operations; William Henry, vp-mktg admin; Dave Martin, vp-corp media; John Bissell, vp-special prod div; Marsha Bass-Atwater, dir-new prods; Micheal Porter, dir-malt liquors; Charles Powell, dir-Old Milwaukee brand; Ed Kopecky, dir-Schaefer, Goebel, Piels, Primo brands; Jovan Jovanovski, dir-White Mountain

REUTER-DENIS PAQUIN

FOREIGN AFFAIRS

Bettmann has pictures of fascinating personalities from every country and every period in history. We have world leaders like Reagan and Gorbachev at the Geneva Summit (1), and William Pitt and Napoleon carving up the globe (3). And more romantic foreign relationships, like the Duke and Duchess of Windsor on their wedding day (2).

Each day Bettmann adds about 100 significant international newsphotos from Reuters and UPI. We send pictures to 20,000 communications professionals worldwide. Call, write or telex for your next project.

THE BETTMANN ARCHIVE
136 EAST 57TH STREET, NEW YORK, NEW YORK 10022 (212) 758-0362

BETTMANN NEWSPHOTOS
UPI AND REUTERS PHOTO LIBRARIES, 48 EAST 21ST STREET, NEW YORK, NEW YORK 10010 (212) 777-6200
TELEX 6720885

BEST COPY AVAILABLE

Cooler, Alan Schuster, dir-adv svcs; Mark Steinberg, mgr-Stroh & Signature brands; Mike Keyes, mgr-Schlitz brands; Liz Schubiner, mgr-Old Milwaukee; Tom Kuthy, mgr-High Five; Scott Rozek, mgr-Sundance

Brands/services by agency of record:

Schaefer-P.R.
Shaefer Light-P.R.

Ad agency: Badillo/Saatchi & Saatchi Compton, San Juan P.R.: Jose Colon, acct. super.

■

Schlitz Malt Liquor
Red Bull Malt Liquor

Ad agency: Burrell Advertising, Chicago: Don Coleman, vp-mgmt super.

■

Old Milwaukee
Old Milwaukee Light
White Mountain Cooler
Schaefer
Schaefer Light

Ad agency: Grey Advertising, New York: Don Lowy, vp-mgmt super (Old Milwaukee, Schaefer); Paul Jordan, vp-mgmt super (White Mountain)

■

Sundance Sparklers

Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Bruce Wagner, acct exec.

■

Goebel
Piels

Ad agency: Wyse Advertising, Cleveland: John Jefferson, acct super.

■

Stroh's
Stroh Light
Signature

Ad agency: Hal Riney & Partners, San Francisco: Hal Riney, chmn-ceo

RANK
76

Subaru of America

Cherry Hill, N.J.
ADVERTISING **$ 113.2** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	1,785	1,939	(8.0)
Earnings	(30)	94	(131.9)

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	13,111	5,211	151.6
Business pub	176	10	1,693.9
Magazine	8,356	8,680	(3.7)
Newsp supp	119	0	NA
Outdoor	0	270	NA
Network TV	31,603	14,072	124.6
Spot TV	16,882	9,386	79.9
Network cable	836	652	28.3
Network radio	2,871	0	NA
Spot radio	5,279	3,253	93.0
Measured	80,233	41,534	93.2
Unmeasured	33,000	17,000	94.1
Total	113,233	58,534	93.4

Subaru of America, a leader in the four-wheel drive market, is hoping its plans to expand into other markets will help restore profits and growth which dipped for the first time in 11 years in 1987.

Attempts to remain competitive and reduce inventory led the Cherry Hill, N.J.-based company in 1987 to nearly double 1986 ad expenditures.

Subaru, U.S. distributor for Fuji Heavy Industries, Tokyo, reported a loss of $30 million in 1987, compared with net income of $94 million the previous year. Sales dropped 7.7%, from $1.94 to $1.79 billion in 1987.

Fuji, whose fiscal year results are reported in the accompanying box, saw net income and sales decline 21.3% and 6.9%, respectively. (Figures for both fiscal years were converted at the rate of Y145.85 = U.S.$1.)

Subaru said the major contributing factor to its slide was the strength of the Japanese yen, which forced it to raise retail prices in the U.S. by roughly 25%. To compete with other automakers, the company narrowed its profit margin, supported dealers with sales incentives and higher-than-planned national and regional ad programs and offered hefty customer rebates.

Despite the company's financial woes, total unit sales dropped only 3.3%, to 177,138 vehicles. Subaru's shares of the U.S. import market and total U.S. car market remained about the same, at 5.6% and 1.7%, respectively.

Subaru was especially pleased by the debut performance of the Justy, its entry into the crowded, low-end market. "About 80% of the people who bought the Justy had never purchased a Subaru before, which means we obviously took some car sales away from other manufacturers," says David L. Sippel, vp-marketing. Subaru backed the Justy with $14.5 million in measured spending, according to BAR/LNA.

Over the next few years, Subaru hopes to attract new customers by introducing a more varied model mix and establishing itself in regional markets outside the snow belt and rural areas where its popularity has been greatest.

One step towards this goal was the purchase in 1987 of four regional distributorships previously under independent ownership. As a result, Subaru-owned distributors now cover 34 states and account for 55% of retail sales.

Subaru also is looking to its new $500 million Lafayette, Ind., manufacturing plant—a joint venture with Isuzu Motors—to provide the company with a major presence in the Midwest. The plant is scheduled to begin operating in fall 1989 with annual capacity of 60,000 Subaru cars. It will produce Subaru sedans and wagons.

Subaru's 1988 model line featured a new top-of-the-line XT6 with a horizontally-opposed 2.7 liter six-cylinder engine and "on demand" four-wheel drive in the Justy GL. Other changes included various detail improvements on the Hatchback, Sedan, Wagon, 3-Door Coupe and four-cylinder XT.

The company already has begun touting a new transmission system that will be available in 1989 Justys. Electronic Continuously Variable Transmission, or ECVT, is an electronic transmission without gears that the company said could set a new standard for small car transmissions.

Subaru continued to spend heavily on network and spot TV and newspaper advertising in 1987, with these four media accounting for more than three-quarters of the company's measured media spending.

Early in 1988, Subaru unveiled a two-tier marketing strategy, advertising cars below $10,000 as inexpensive and those above as upscale. Both broadcast and print ads featured a so-called human approach and stressed the cars' reliability, durability and high customer satisfaction rating.

One print ad for the Subaru Wagon, for example, shows a family headed for vacation piling into its car with a headline that reads, "Before you go on a trip, put your valuables in a safe place."

Subaru joined the ranks of automakers trying to target women by sending a three-packet mailing to 500,000 professional women with annual household incomes of about $35,000. The company hoped the program would make it easier for women to make a purchasing decision by giving them information before visiting a dealership. Women make up about half of Subaru's buyers, according to Christopher Wackman, director-advertising services.

On the promotional end, Subaru, official car of the U.S. ski team since 1976, continued to sponsor major national championships and World Cup skiing events held in the U.S. in an effort to increase its visibility in non-skiing areas. Subaru also became the official car of the U.S. Cycling Federation and began to sponsor bicycle races across the country.

SUBARU OF AMERICA
Subaru Plaza, P.O. 6000
Cherry Hill, N.J. 08034-6000
(609) 488-8500

Corporate personnel: Marvin S. Riesenbach, exec vp

Marketing personnel: Doug Mahin, group vp-sales; Robert J. Whitehead, group vp-prod engineering; David L. Sippel, vp-mktg; Ken Stanton, vp-sales operations; Paul Utans, vp-governmental affairs; Chirstopher Wackman, dir-adv svcs.

Brands/services by agency of record:

Subaru cars

Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Michael Elkisch, vp-mgmt super; Terry Bonaccolta, sr vp-group dir; Jerry Noonan, acct super; Elaine Romano, acct exec; Cheri Stern, asst acct exec.

RANK
42

Tandy Corp.

Fort Worth, Texas
ADVERTISING **$ 225.1** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	3,794	3,452	9.9
Earnings	316	242	30.6

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Business pub	2,459	2,068	18.6
Magazine	10,979	9,304	18.0
Newsp supp	273	29	857.9
Outdoor	5	0	NA
Network TV	34,898	35,056	(0.4)
Spot TV	360	3,294	(89.1)
Network cable	868	897	(3.3)
Network radio	3,356	2,733	22.8
Spot radio	2,861	1,293	121.2
Measured	56,052	54,673	2.5
Unmeasured	169,000	165,000	[illegible]
Total	225,052	219,673	[illegible]

Innovative new products, key acquisitions in the high-tech industry and continued refurbishing of its retail operations are improving the stature of Tandy Corp. in the computer industry.

Tandy, which recorded strong sales and earnings for its fiscal year ended June 30, made good on computer industry speculation in April 1988 when it came out with the market's first non-IBM computer to include a IBM Micro Channel-type bus system that allows for powerful enhancements in a personal computer.

That same month it surprised the technology community when it reported it had developed Tandy Thor-CD, a technology that allows people to record and erase digital information on a CD-compatible optical disc using a laser beam.

While Thor-CD is not expected to be available until 1990, Tandy is ready to license the technology. The product will retail for about $500. Industry analysts speculate if Tandy can fulfull its promise for a low-cost, erasable recorder, it would boost Tandy's standing and steal some thunder from the Japanese.

But before discussion wa[illegible] on Tandy's high tech products, the company announced in July it would purchase the highly regarded laptop computer maker, GRID Systems. Later in July, Tandy reported it would begin marketing an IBM PC-compatible computer to include digital voice and sound recording.

The company continues to redesign Radio Shack stores, giving them more of a high-tech look. By midyear 1988, Tandy had refurbished about 1,400 of its 4,900 stores at the rate of three stores a day, said Ed Juge, Tandy spokesman.

Tandy's various moves are getting plenty of notice from the investment community. Dennis Telzrow, a retail analyst with Eppler, Guerin & Turner in Dallas, said the company has gained consumer favor because its products are listed as compatible with a growing number of software products.

Tandy has continued a steady advertising program among the changes and innovation, dedicating about 8% of total sales to various forms of advertising.

The company continues to use its in-house Central Advertising Agency to manage and execute its ad program. Direct mail continues to be a cornerstone of the effort. The company sends out between 18 million and 24 million fliers a month with spending above $50 million annually. This is backed by the company's newspaper insert program, which Mr. Juge said is close to $60 million annually.

The company backs its print effort with a series of TV spots under the theme, "Why Tandy Computers?" The commercials highlight the capabilities of Tandy computers as well as value.

TANDY CORP./RADIO SHACK
1800 One Tandy Center
Fort Worth, Tex. 76102
(817) 390-3700
RADIO SHACK

Corporate personnel: John Roach, chmn & president.

Marketing personnel: David Beckerman, vp-mktg svcs; Mike Wood, vp-adv; Robert Myers, vp-business prods; Robert Miller, vp-consumer merch; Howard Elias, sr dir-computer merch

Brands/services by agency of record:

Tandy brands

Ad agency: (In-house): Central Advertising Agency, Fort Worth, Texas: Linda Yarborough, media dir.

RANK
68

Texas Air Corp.

Houston
ADVERTISING **$ 124.3** MILLION

Sales & earnings

($ in millions)

■ **Worldwide**	**1987**	**1986**	**% chg**
Sales	8,475	4,407	92.3
Earnings	(466)	73	(741.2)
■ **Division sales**	**1987**	**1986**	**% chg**
Passenger	7,699	4,027	91.2
Cargo, mail, other	776	380	104.0

U.S. advertising by media

($ in thousands)

■ **Media**	**1987**	**1986**	**% chg**
Newspaper	67,287	63,417	6.1
Business pub	1,280	1,142	12.1
Magazine	4,054	4,074	(0.5)
Newsp supp	375	97	285.6
Outdoor	1,575	2,557	(38.4)
Network TV	42	435	(90.2)
Spot TV	12,974	19,489	(33.4)
Network cable	152	218	(30.5)
Spot radio	15,604	18,146	(14.0)
Measured	103,343	109,576	(5.7)
Unmeasured	21,000	23,000	(8.7)
Total	124,343	132,576	(6.2)

There are dark clouds on the horizon for Texas Air Corp., which took off in the deregulated skies on the strength of aggressive price-cutting and acquisitions of Eastern and Continental airlines financed by $4.9 billion in consolidated debt, and is now encountering severe turbulance, particularly between Eastern and its unions.

Spending in advertising has felt this downward pressure, dipping to $124.8 million in 1987, down 6.2% from the prior year—most of that related to reduced support for beleaguered Eastern Airlines and a cooling off in the media ad battles that flaired up in 1986 over discounting.

Eastern's measured spending for passenger advertising plummeted 60% to $7.3 million in 1987, according to BAR/LNA, which in 1987 did not monitor national newspaper spending. Main cutback in the BAR/LNA data was in spot TV, which dropped 65%. Newspaper advertising, by far the lead medium in the Continental-Eastern mix, because of the marketing focus on discount and comparative fares, dipped to $67.3 million in 1987 for Texas Air, down 6% from 1986 when discounting was at its peak.

Meanwhile, BAR/LNA measured media for passenger advertising at Continental jumped 424% to $7.8 million in 1987, most in spot TV. Eastern and Continental also had $3.4 million in combined measured media for passenger advertising, divided between spot TV and consumer magazines.

In 1986, Texas Air more than tripled the size of its airline operations through acquisitions of Eastern, Newark-based People Express, substantially all of the assets of Frontier Airlines, New York Air and two commuter carriers and a substantial number of additional aircraft. At the close of 1986, Texas Air's fleet numbered 636 aircraft, compared with 160 aircraft at the end of 1985.

Consolidation of non-computerized carriers into Continental caused massive confusion and disruptions of service. As Continental brought the situation under control through 1987, the carrier nearly doubled its fourth quarter 1987 ad spending to counter the public's negative image of the complaint-ridden airline.

Texas Air incurred a consolidated net loss of $466.1 million in 1987 on total operating revenues of $8.5 billion. In 1986, the corporation recorded net income of $72.7 million on operating revenues of $4.4 billion, including the results from Eastern beginning on July 8, 1986. Results from People Express Airlines were consolidated beginning Dec. 31, 1986.

For the first six months of 1988, Texas Air recorded a consolidated loss of $380.1 million on operating revenues of $4.26 billion, compared with a loss of $127.7 million on operating revenues of $4.2 billion in the year-earlier period.

At the close of 1987, Eastern ranked No. 6 among U.S. air carriers with a 9.2% share, while Continental ranked No. 7 with 8.3%, based on revenue passenger miles, according to PaineWebber, New York. A revenue passenger mile is the standard measure of revenue gained by carrying one paying passenger one mile. United Airlines had 17.5% share, American 15.1%, Delta 13.4%, Northwest 10.9% and USAir 10.2%.

The biggest headache for Texas Air's Chairman Frank Lorenzo is labor problems at Miami-based Eastern Air Lines, following its February 1986 acquisition for $640 million. Eastern currently is in contract talks with pilots, from whom it seeks productivity concessions, and with its machinists and baggage handlers, from whom it seeks wage cuts averaging 20%.

Texas Air has used as a bargaining chip the threat of transferring Eastern assets to its low-cost, non-union Houston-based Continental Airlines unit if the unions fail to come to terms. Texas Air in 1987 took the System One reservations system off Eastern's hands for $100 million, making it a separate subsidiary, sold 20 aircraft and put 21 on the market, and drew $100 million in cash out of Eastern in a variety of transactions.

But Eastern's unions successfully have used the federal courts to stop Texas Air from selling certain Eastern assets. A federal judge ruled in April 1988 that Eastern could not sell the profitable Eastern Shuttle, which operates between New York, Boston and Washington, to another subsidiary of Texas Air for $225 million.

The courts also have enjoined Eastern from transferring employees to newly-created units and from training replacement workers in preparation for a possible strike. In August 1988, a federal court issued a temporary injunction preventing loss-plagued Eastern from implementing cutbacks that would have wiped out 4,000 jobs.

"The things Lorenzo has tried to do to restructure Eastern have been stymied by the unions and the courts," said Robert Decker, airline analyst at Duff & Phelps, Chicago. The situation becomes ever more serious as the labor-management stalemate continues, Mr. Decker said.

"Without major changes in the union position, Eastern faces a very real possibility of bankruptcy. And until Lorenzo solves the problems at Eastern, there is no solution to his [consolidated earnings] dilemma [at Texas Air]."

Paul Karos, airline analyst at First Boston Corp., New York, said Texas Air probably could hold out until mid-1989 before being forced to make a move. "The No. 1 hope of management is to get concessions. But if they can't, Texas Air won't allow Eastern to bleed them to death," he said. Most likely, Eastern would be downsized, its assets and routes broken up and sold off, or it would be taken into Chapter 11 bankruptcy and liquidated, he added.

TEXAS AIR CORP.
Capitol Bank Plaza No. 4040
333 Clay Street
Houston, Texas 77002
(713) 658-9588

Corporate personnel: Francisco Lorenzo, chmn & ceo; James Arpey, sr vp.

Continental Airlines Corp.
Houston

Corporate personnel: Martin R. Shugrue Jr., president; Lewis H. Jordan, exec vp-coo.

Marketing personnel: Douglas C. Birdsall, sr vp-mktg; James V. O'Donnell, vp-mktg svcs.

Brands/services by agency of record:

Continental airlines

Ad agency: N W Ayer, New York: George Zuckerman, vp-acct super, creative dir; Carolyn White, acct super; Liz Fiedfeld, asst acct exec; Lisa Sands, acct coord; Michael Katz, group

FREE! Marketing Idea Newsletter
Send For Yours NOW!
GRAPHIC CALCULATOR COMPANY
Designing and manufacturing special slide rules, printed calculators and feature demonstrators for 48 years!
230 James Street, Barrington, Illinois 60010
Call Cape Gulbransen or Barbara Dini at
312/381-4480 – FAX: 312/381-5370
SPINFORMATION

asst

Eastern Air Lines
Miami

Corporate personnel: Philip J. Bakes Jr., president-ceo; Joseph B. Leonard, exec vp-coo.
Marketing personnel: John W. Nelson, sr vp-mktg; Richard F. Blake, staff vp-mktg, planning & rsch; George W. Brennan, staff vp-mktg comm; Jerry Schorr, staff vp-cargo sales; Robert A. Wolf, mgr-vacation adv.
Brands/services by agency of record:

Eastern airlines

Ad agency: Lintas:New York: Joe Karle, exec vp-acct dir; Warren Ruden, Jamie Holt, sr vps-mng supers; Mark Solomon, Teri Steele, vps-acct supers; Audrey Shapiro, Jerry Olson, Julie Kruger, asst acct execs.

RANK
45

Time Inc.

New York
ADVERTISING **$ 196.6** MILLION

Sales & earnings

($ in millions)

Worldwide	*1987*	*1986*	*% chg*
Sales	4,193	3,762	11.5
Earnings	250	376	(33.5)
Division sales	*1987*	*1986*	*% chg*
Magazines	1,621	1,576	2.9
Books, info	954	663	43.9
Programming	904	886	2.0
Cable TV	714	637	12.1

U.S. advertising by media

($ in thousands)

Media	*1987*	*1986*	*% chg*
Newspaper	15,551	13,951	11.5
Business pub	4,875	5,564	(12.4)
Magazine	51,404	50,528	1.7
Newsp supp	1,310	2,043	(35.9)
Outdoor	101	24	327.5
Network TV	5,105	4,361	17.1
Spot TV	55,853	55,054	1.5
Network cable	16,412	16,064	2.2
Network radio	2,208	936	135.9
Spot radio	5,762	4,503	28.0
Measured	158,579	153,026	3.6
Unmeasured	38,000	37,000	2.7
Total	196,579	190,026	3.4

Time Inc.'s belt-tightening efforts in 1987 ranged from staff reductions to divestitures to a growth of only 3% in ad spending, the latter usually characterized by substantial annual budget hikes.

The cost-saving measures have begun to show up in improved earnings. In the first half of 1988, Time Inc. reported net income of $150 million, up 21% over the corresponding period in 1987, on sales of $2.17 billion, up 9.4%. Time's cable TV operation was largely responsible for the growth. Advertising revenues in its magazine division were up slightly, but higher paper costs and postal expenses weighed down operating income for the group. *Time* in September 1987 launched a major program called the Maximum Advertising Exposure Plan, or Max Plan, to rejuvenate its sluggish advertising. The rather convoluted program rewards advertisers with "credits" (additional ad pages earned) if their spending levels with Time match or exceed their totals with Time from July 1986 through June 1987. The complex plan also factors in a minimum spending level and the percentage of the advertiser's overall magazine spending devoted to Time Inc.'s wholly owned magazines: *Time, Life, Fortune, Money, Sports Illustrated, People, Southern Accents* and *Southern Living*.

Competitors, *Newsweek* and *U.S. News & World Report* were quick to follow suit with their own discount plans. Over 500 advertisers have signed up for Time Inc.'s program, which was initially scheduled to run for two years; it has been extended for a third.

At the end of 1987 the company's flagship magazine, *Time*, froze its advertising rates for the first time since 1963.

Time's 50/50 joint venture, Working Women McCall's Group, introduced a controversial open TV-style negotiable rate card for McCall's in 1987. Women's magazines share many packaged goods advertisers with network TV. McCall's publisher Dale Lang said the plan only formalized what Seven Sister magazines had been doing for years—scuttling the rate card. Then in mid-1988, the joint venture titles—McCall's, Working Woman and Working Mother—and People launched "The Women's Lifestyle Network," a sort of spot print package in which the four magazines are included in a five-page buy to reach 10 markets only.

In February of this year, Time launched a French edition of Fortune, published with the Hachette Filipacchi group. The edition combines Fortune articles translated from English with pieces written by a Paris staff.

In August of this year, Time Inc. acquired a 50% interest in *Hippocrates* magazine for $9 million. The bi-monthly consumer magazine, published in California, deals with health and medicine.

The company's ad dollars largely were spent on subscription promotions for *People, Time* and *Sports Illustrated*. According to BAR/LNA, *People* spent $19.4 million on subscriptions, up 4% from 1986. *Time's* spending in this area dropped slightly, at a level slightly above $15 million. *Sports Illustrated* received $11.5 million, down 17% from 1986. *Life* laid out $3.1 million for its subscription efforts, up 63% from 1986. *Fortune's* spending decreased negligibly, remaining at slightly above $1 million, while spending for *Money* dropped 31% to $854,000.

In the book and information division, the company attributed its strong growth in revenues and operating income to Scott Foresman & Co., which it acquired from SFN Cos. at the end of 1986. However, it is believed Time is looking for a buyer for the nation's No. 3 book publisher because analysts contend it is an odd fit in Time's current business lineup and publishing assets have been in high demand. Scott Foresman publishes textbooks, an entrenched business.

While the Book-of-the-Month Club had record revenues, with membership rising 13% to 2.7 million, ad spending fell 16% to $3.7 million. Spending also decreased 21% for the Book-of-the-Month Record & Tape Club and 10% for Time-Life Books, with a budget of $21 million. But Time-Life Records & Tapes received $9.9 million in advertising, a huge 94% increase.

At the end of the year Time sold its SAMI/Burke market research company to Control Data for $80 million plus future payments. Other divestitures included *Discovery* magazine, USA Network and a partial sale of ATC.

Measured spending for Time's HBO and Cinemax cable TV services grew 10% to $22.5 million in 1987. The HBO pay TV service alone accounted for $16.1 million of the total, the same as 1986. At the end of this year HBO will discontinue its Festival service, which was oriented to a family audience.

In June 1988, Time announced that its Denver-based ATC cable unit would be moving to New York to be closer to decision-making at the corporate level. Although claiming the decision a good one from a business standpoint, Trygve Myhren, ATC's chairman-CEO, announced his resignation. He was replaced by Joseph Collins, who left the post of president of HBO. E. Thayer Bigelow replaced Mr. Collins at HBO.

TIME INC.
Time & Life Bldg.
Rockefeller Center
New York, N.Y. 10020
(212) 522-1212

Time

Corporate personnel: Robert L. Miller, publisher.

Marketing personnel: Richard Heinemann, U.S. adv sales dir; Ellen W. Oppenheim, promo dir; Ellen J. Fairbanks, circulation dir.

Brands/services by agency of record:

Circulation promo

Ad agency: Wunderman Worldwide, New York: Debbie Stanley, acct exec.

■

Circulation & adv promo

Ad agency: Young & Rubicam, New York: Brise Ott, acct super; Julie Rothhouse, acct exec; Lisa Epstein, asst acct exec-adv promo; Jackie Blum, acct coord; Rob Tyrrell, sr media planner.

People

Corporate personnel: Donald M. Elliman Jr., publisher.
Marketing personnel: Eric G. Thorkilsen, assoc publisher; James J. Donoghue, mktg promo dir; Lindsay Valk, circulation dir.

Brands/services by agency of record:

Circulation promo

Ad agency: Holland & Callaway Advertising, New York: Jim Callaway, president; Ron Holland, chmn.

■

Adv promo

Ad agency: Young & Rubicam, New York: Brise Ott, acct super.

Fortune

Corporate personnel: James B. Hayes, publisher.
Marketing personnel: John E. Haire, U.S. adv sales dir; David L. Minz, promo dir; Kenneth Godshall, circulation dir.
Brands/services by agency of record:

Adv promo

Ad agency: Ogilvy & Mather, New York: David Warden, sr vp-group dir; Denise Johnson, acct super.

Money

Corporate personnel: William S. Meyers, publisher.
Marketing personnel: Betsy Martin, adv sales dir; Michael Rich, promo dir; Michele M. Jaworski, circulation dir.
Brands/services by agency of record:

Circulation promo

Ad agency: Corinthian Communications, New York: Larry Schneiderman, vp, dir-mktg; Michael Kubin, sr vp; Jeff Bender, acct exec.

■

Adv promo

Ad agency: John Emmerling Inc., New York: John Emmerling, chmn; James R. Guthrie, president; Russell G. Finley, sr vp.

Sports Illustrated

Corporate personnel: Donald J. Barr, publisher.
Marketing personnel: Thomas J. Hickey Jr., adv sales dir; Michael W. Davey, adv sales mgr; George P. Berger, creative dir; Michael Loeb, circulation dir.
Brands/services by agency of record:

Adv promo

Ad agency: Ogilvy & Mather, New York: David Warden, sr vp-group dir; John Gruen, sr vp-assoc creative dir.

■

Circulation promo

Ad agency: Wunderman Worldwide, New York: Bob O'Keefe, acct super; Debra Kalish, acct exec.

Life

Corporate personnel: Elizabeth P. Valk, publisher.
Marketing personnel: David L. Long, adv sales dir; Ripley Odell, promo dir; Rachel A. Greenfield, circulation dir.
Brands/services by agency of record:

Adv promo

Ad agency: Messner, Vetere, Berger, Carey, New York: Tom Messner, partner & creative dir; Kent Roman, acct exec.

Southern Progress Corp.
Birmingham, Ala.

Progressive Farmer

Corporate personnel: H.B. Flora, publisher.
Marketing personnel: David U. Hemphill, N.Y. natl sales mgr; Ivey Brown, adv svcs mgr; Neal Campbell, production mgr.
Brands/services by agency of record:

Progressive Farmer

Ad agency: Reynolds & Assoc., Atlanta: Neal Reynolds, president; Don Halleck, acct exec.

Southern Living

Corporate personnel: James E. DeVira, publisher.
Marketing personnel: Scott Sheppard, adv dir; Eleanor Griffin, promo/merch mgr; William P. Capps, circulation dir.
Brands/services by agency of record:

Southern Living

Ad agency: DDB Needham Worldwide, McLean, Va.: Joe Landy, president; Betsy McGurick, acct super.

Southern Accents

Corporate personnel: James E. DeVira, publisher.
Marketing personnel: Sims Bray Jr., adv dir; Eleanor Griffin, promo/merch mgr; William P. Capps, circulation dir.
Brands/services by agency of record:

Southern Accents

Ad agency: (In-House): Sims Bray Jr., adv dir.

Cooking Light

Corporate personnel: Jeffrey C. Ward, publisher.
Marketing personnel: Martin Spector, N.Y. adv dir; Lawrence D. Rinehart, production dir; William P. Capps, circulation dir.
Brands/services by agency of record:

Cooking Light

Ad agency: Norwest Communications, Chappaqua, N.Y.: William Silinski, president.

Oxmoor House

Marketing personnel: Tom Angelillo, vp-genl mgr; Bruce Akin, dir-mktg; Dianne Mooney, dir-promo; Steve Logan, corp devel dir.
Brands/services by agency of record:

Oxmoor House

Ad agency: (In-House): Dianne Mooney, dir-promo.

Working Woman/McCall's Group
New York

McCall's

Corporate personnel: Dale W. Lang, publisher.
Marketing personnel: William McDermitt, natl adv dir; Robert M. Sacks, production dir; John Hang, circulation dir.

Working Woman

Corporate personnel: Carol Anderson Taber, publisher.
Marketing personnel: Barbara Bella, adv dir; Robert M. Sacks, production dir; John Hang, circulation dir.

Parenting
San Francisco

Corporate personnel: Robin Wolaner, publisher.
Marketing personnel: Bunny Fensterheim, natl adv mgr; Bruce Spiegel, production dir; Frances Skennion Reilly, circulation dir.
Brands/services by agency of record:

McCall's
Parenting
Working Mother
Working Woman

Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Harold Levine, chmn.

Time-Life Books
Alexandria, Va.

Corporate personnel: Christopher T. Linen, president-ceo.
Brands/services by agency of record:

Time-Life Books

Ad agencies: A. Eicoff & Co., Chicago: Francie Barson, vp-media; Rick Singerman, vp-client svcs.

Wunderman Worldwide, New York: Worth Linen, exec vp; Andy Jones, mgmt super; Carol Austin, acct super.

Time-Life Music
Alexandria, Va.

Corporate personnel: Paul Stewart, sr vp-entertainment div; Terry Furlong, vp-music.
Brands/services by agency of record:

Time-Life Music

Ad agencies: A. Eicoff & Co., Chicago: Francie Barson, vp-media; Rick Singerman, vp-client svcs.

LaBuick Inc., New York: Ed LaBuick, chmn; Sy Sanders, president.

Fred Kier & Associates, Chicago: Fred Kier, president.

Book-of-the-Month-Club
New York

Corporate personnel: Al Silverman, chmn; Larry Crutcher, president.
Marketing personnel: John Hall, sr vp, dir-mktg; Betsy Poris, media dir; Ruth Stevens, mktg mgr-specialty clubs; Karen Krupnik, sr vp, dir-specialty clubs.
Brands/services by agency of record:

Book-of-the-Month-Club

Ad agencies: Ogilvy & Mather, New York: Patty Lyons, acct super; Carol Pittard, acct exec.

Wunderman Worldwide, New York: Pierre Passavant, group dir; Debbie Elkins, acct exec.

Little, Brown & Co.
Boston

Corporate personnel: Kevin Dolan, president-ceo.
Marketing personnel: Arlyne Greenbaum, mktg mgr-trade div, N.Y.; Munro Magruder, trade sales mgr.
Brands/services by agency of record:

Little, Brown & Co.

Ad agency: Franklin Spiers, New York: Rhonda Har, acct exec; Ken Atkatz, creative dir.

Scott Foresman & Co.

Corporate personnel: Kelso Sutton, chmn.
Marketing personnel: Barbara Coovert, vp-adv.
Brands/services by agency of record:

Scott Foresman & Co.

Ad agency: (In-House): Barbara Coovert, vp-adv; Karen Abrams, creative mgr.

History Book Club
Stamford, Conn.

Corporate Personnel: John Gibb, chmn; Nancy Whitin, William Duhigg, vps.
Brands/services by agency of record:

History Book Club

Ad agency: (In-house): John Hall, sr vp-mktg.

Home Box Office
New York

Corporate personnel: Michael Fuchs, chmn & ceo; E. Thayer Bigelow, president; David Pritchard, vp.
Marketing personnel: Dan Levinson, vp-adv & promo; John K. Billock, sr vp-mktg; Steve Janas, vp-dir mktg.
Brands/services by agency of record:

HBO

Ad agency: BBDO Worldwide, New York: Ken Angel, vp-acct super; John Marchese, mgmt super; Linda Epifano, acct exec.

■

Cinemax
HBO

Ad agency: Kobs & Draft, New York: Howard Draft, president; Lynn Fanton, genl mgr; Mary Pat Ryan, sr vp-mgmt super.

HBO Video

Corporate personnel: Curt Viebranz, president.
Marketing personnel: Eric Kessler, sr vp-mktg; Bob Kasbar, creative svcs dir.
Brands/services by agency of record:

HBO Video

Ad agency: Caldwell-Davis Partners, New York: Abbott Wool, vp-media dir; Barbara Krakower, acct exec.

American Television & Communication
Stamford, Conn.

Corporate personnel: Joseph Collins, chmn & ceo; James Doolittle, president-coo.
Marketing personnel: Tim Evard, vp-mktg; Allan Eisenberg, exec dir-adv.
Brands/services by agency of record:

American Television & Communication

Ad agency: (In-House): James Duffy, dir-pr.

RANK
33

Toyota Motor Corp.

Torrance, Calif.
ADVERTISING: **$ 257.7** MILLION

Sales & earnings

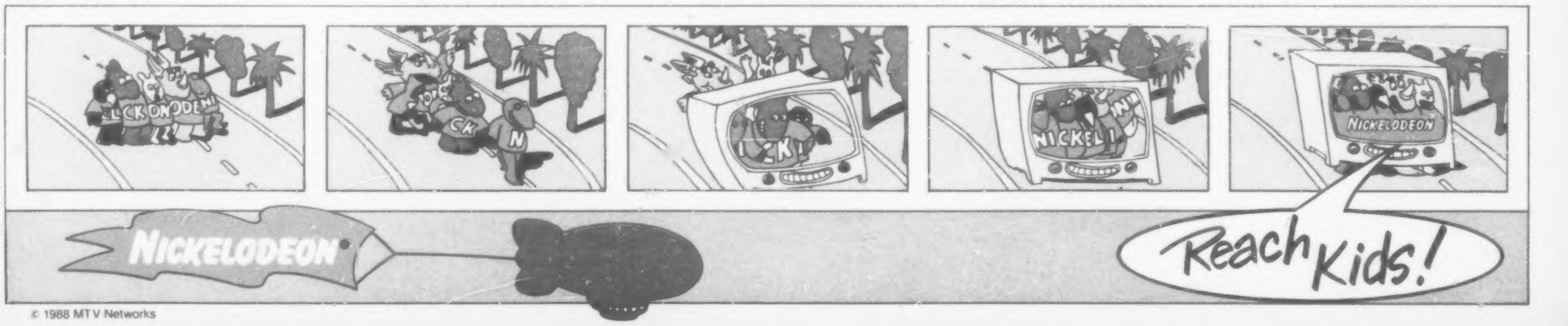
($ in millions)

Worldwide	*1987*	*1986*	*% chg*
Sales	50,000	45,000	11.1
Earnings	1,779	1,494	19.1

U.S. advertising by media

($ in thousands)

Media	*1987*	*1986*	*% chg*
Newspaper	28,409	22,878	24.2
Business pub	1,399	932	50.1
Magazine	27,105	21,533	25.9
Newsp supp	427	444	(3.8)
Farm pub	216	189	14.5
Outdoor	1,229	2,014	(39.0)
Network TV	46,298	33,104	39.9
Spot TV	66,294	90,292	(26.6)
Network cable	2,229	3,887	(42.7)
Network radio	2,301	0	NA
Spot radio	4,831	6,489	(25.5)
Measured	180,738	181,761	(0.6)
Unmeasured	77,000	78,000	(1.3)
Total	257,738	259,761	(0.8)



© 1988 MTV Networks

Toyota Motor Sales USA, Torrance, Calif., subsidiary of Toyota Motor Corp., Japan, failed to repeat in 1987 its one million-unit U.S. sales volume of 1986 for cars and trucks, fulfilling forecasts of a down year influenced heavily by higher prices associated with the rise of the yen against the dollar.

Shipments from Japan to the U.S. actually declined during the fiscal year by 12% primarily because of poor U.S. truck sales, said the company. Even with the adverse exchange-rate ratios and severe competition, Toyota in the U.S. strengthened its position as the leading car and truck importer. That effort was backed by a $257.7 million ad budget, only slightly less than the previous year.

Despite the turndown in U.S. vehicle sales, the parent performed better in fiscal 1988 than in the two previous years as worldwide earnings rose 19% on an 11% growth in sales. Pretax profits, which increased 31% to $3.9 billion, represented the first such gain in three years. Financial totals for both fiscal years ended June 30 were converted at the rate of Y133.85 = U.S.$1.

Offsetting the fall in U.S. sales was a slower-than-expected rise in the yen, cost reduction efforts and strong domestic sales, particularly of luxury autos. Its unit sales in Japan were up 14% to a record 2.02 million for the fiscal period. In the past three years, Toyota has turned to its domestic market to minimize the rise in the yen, which has made its products more expensive abroad. In fiscal 1988, its overseas shipments amounted to 1.79 million units, or 46% of its domestic production. That compares with a 56% rate three years ago.

Toyota's plans to capture 10% of the world's auto market by the 1990s, a marketing concept the company has dubbed "Global 10," calls for improving its modest market share in Western Europe as well as in Japan. The U.S., however, is key to the success of Global 10. Toyota marketers report that for the company to seize 10% of the world market, it must have a 10% share of the U.S., its most lucrative market.

Calendar 1987 totals for worldwide car production place Toyota third behind General Motors Corp. and Ford Motor Co. Toyota production in the calendar period was 3,638,279 domestic units virtually unchanged from 1986—2,708,069 cars and 930,210 trucks.

In the U.S., Toyota sales in calendar 1987 were 932,445 units—583,809 imported cars, 303,783 imported and domestically produced compact trucks, and 44,853 U.S.-built FX and FX 16 cars. Combined sales were down 8.9% from calendar 1986. The total represented a 9.1% share of the U.S. market, up from 8.9% in 1986, and a 28.2% share of the import market.

Toyota ranked first among Japanese importers, followed by Nissan at 22%, Honda at 12.4% and Mazda 11.6%.

The company led importers in total truck sales with a 6.1% share of total U.S. light-truck markets, followed by Nissan at 4.3%, Mazda 2.4%, Isuzu 1.7%, Suzuki 1.6% and Mitsubishi 1%.

Pressed by self-imposed quotas assumed by Japanese car marketers under the Voluntary Restraint Agreement, Toyota has followed fellow Japanese marketers, Honda, Nissan and Mazda in constructing production facilities in the U.S. to assure itself of an adequate supply of cars in the U.S. market.

In line with Toyota's effort to "Americanize" its operations, the parent company is considering establishing a single U.S. headquarters to consolidate sales, manufacturing, design and research and development in one location. No timetable has been set, but the move was regarded as a natural outgrowth of Toyota's startup of other U.S. operations.

Toyota and General Motors operate a joint-venture plant called New United Motor Mfg. Inc. (NUMMI) in Fremont, Calif., which builds Toyota's Corolla FX and FX-16 models and Chevrolet's compact Nova.

Toyota has built a plant in Georgetown, Ky., which is making the upscale Toyota Camry ($15,998 for a top-of-the-line LE 5-door wagon). The plant's annual production rate is 200,000 units.

A decision has yet to be made on a site for construction of Toyota's truck plant in the U.S. A new plant producing up to 300,000 units annually would help Toyota reach U.S. sales volume of 1.3 million vehicles a year by the early 1990s.

Two of Toyota's rivals are marketing upscale luxury cars in the U.S. or have announced plans to do so with separate dealer networks—American Honda through its Acura division and Nissan with its upcoming Infiniti. Toyota also has entered the fray with its Lexus division. The first car from the division is scheduled for the fall of 1989. Toyota will open the 1990 model year with three luxury-performance car lines and eventually set up 250 to 300 new dealerships. The Lexus ad budget is expected to be about $60 million.

Of the company's $180.7 million in measured advertising in 1987, 55% went for cars and 45% for trucks, about the same as the previous year. Spot and network TV claimed 62.2% of the total, newspapers 15.7% and magazines 14.9%.

New introductions for the 1988 model year included a new Corolla line, which received major emphasis and accounted for about $20 million in measured media in 1987.

Other new models included a turbocharged, all-wheel-drive Celica, an MR2 sports car with supercharged engine, an all-wheel-drive version of the Camry and mid-year introduction of an option V-6 engine for the Camry.

Toyota introduced innovative advertising for its Corolla by tipping in detachable cardboard binoculars for 3-D imaging. The three-dimensional four- page print ad and viewer cost $1.5 million to produce. It ran in *Cosmopolitan*, *People* and *Time* magazines. A humorous TV spot showed the Corolla driving off a theater screen, up the aisle through an audience wearing the 3-D glasses associated with the 1950s horror films.

The Camry accounted for $17.5 million in measured media spending in 1987, some 76% of that split between network and spot TV, according to BAR/LNA. With U.S. unit sales of 186,633, up 18.6% from 1986, the Camry was the company's best-selling line. It took over No. 1 position from Toyota's second best-seller, the Corolla model, which slipped to 119,447 units, down 21.4%. The Corolla was followed by the Tercel at 100,590 units and the Celica at 79,333.

The low-end Tercel models, priced at $5,998 for the EZ 3-door liftback model, accounted for $15.5 million in measured media spending in 1987, most of it in spot and network TV. A total of $11.3 million in measured media was spent on Supra for the year. Unit sales of the $20,000 Supra hit 29,907 in 1987, down 11.5%.

With the price of the 2-wheel drive standard pickup now at $6,598, Toyota no longer featured low price as a selling point in its truck advertising. The compact trucks category accounted for about $32.6 million in measured media expenditures during the year, according to BAR/LNA. Some $5.9 million of that backed the SR-5 Turbo model, priced at $18,568, Toyota's entry in the sport/utility truck market.

Toyota named Conill Advertising/L.A. as its first Hispanic agency of record. Conill's first ad campaign for Toyota will debut this October. Ad budget for the Hispanic market segment was estimated at over $2.5 million.

Toyota launched two promotions in 1987 directed at blacks. They included the Toyota Leadership Award for black college football athletes. Another was the Sportin' Waves Toyota MR2 Sweepstakes, a promotion with Soft Sheen Products, Chicago, in which Toyota gave away five cars. Basketball star Isiah Thomas of the Detroit Pistons was corporate and dealer spokesman in promos aimed at blacks. Blacks represent about 12% of the total U.S. population, but account for 5% of Toyota's U.S. sales.

Pro golfers Chi Chi Rodriguez and Lee Trevino promoted Toyota cars and trucks on TV while actor Martin Sheen continued to be used for voiceovers in selected car and truck ads. The tough, gravelly voice of actor Eli Wallach continued to be heard pushing Toyota's truck lines.

Toyota's return to worldwide profitability in fiscal 1988 helped restore one claim the car manufacturer has held in Japan for years. It has been the No. 1 company in Japan in pretax earnings volume. It regained its position from Nippon Telegraph & Telephone Corp.

TOYOTA MOTOR SALES U.S.A.
19001 S. Western Ave.
Torrance, Calif. 90509
(213) 618-4000

Corporate personnel: Yukiyasu Togo, president; Robert McCurry, exec vp-sales & operations, Jim Perkins, sr vp-Lexus div.

Marketing personnel: Albert W. Wagner, vp-sales; George Borst, corp mktg mgr; David Danzer, natl adv mgr; David Pelliccioni, natl car adv mgr; Don Cecconi, natl truck adv mgr; James Olson, corp pr mgr; Kevin Flynn, dealer assn adv mgr; J. Davis Illingworth, corp mgr-Lexus div; Richard L. Chitty, corp mgr-parts/service/customer relations, Lexus div.

Brands/services by agency of record:

Toyotas

Ad agency: Saatchi & Saatchi DFS, Torrance, Calif.: Stuart Upson, chmn & ceo, New York; Jim Lindsey, chmn, Southern Calif.; Joe Cronin, mgmt dir.

■

Lexus vehicles

Ad agency: Saatchi & Saatchi Team One, Torrance, Calif.: David Wager, president; Tom Cordner, exec vp-creative dir; Scott Gilbert, sr vp-mgmt super.

■

Hispanic adv

Ad agency: Conill Advertising, Los Angeles: Carlos Rossi, ceo; Leila Winick, mgmt super.

SUNSOURCE QUICKWAY FLAVOR ROAST INTELL
DEWEY STEVENS SUNSOURCE QUIC FLAV

Make a name for yourself!

First impressions are lasting impressions. To beat the competition, you need a name that positions your product above all the rest.

Using our unique name-generating techniques The Name Works will harness executive energy and utilize a company's team strengths to create names that will capture the attention of your market.

When The Name Works, people react and remember. Call or write for our informative brochure.

The Name Works®

152 Forest Avenue Long Island, NY 11560
(516) 674-4941

RANK
64

UAL Corp.

Elk Grove Village, Ill.
ADVERTISING: **$137.8** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	8,293	7,105	16.7
Earnings*	335	12	NA
■ ***Division sales***	***1987***	***1986***	***% chg***
Passenger	6,856	5,958	15.1
Cargo	489	414	18.2
Contract svcs, other	948	734	29.3

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	29,368	26,900	9.2
Business pub	1,336	1,661	(19.6)
Magazine	7,927	6,010	31.9
Newsp supp	68	169	(60.0)
Outdoor	60	636	(90.6)
Network TV	31,342	27,628	13.4
Spot TV	12,535	14,542	(13.8)
Network cable	1,575	1,666	(5.4)
Network radio	1,830	2,175	(15.9)
Spot radio	7,750	11,660	(33.5)
Measured	93,790	93,047	0.8
Unmeasured	44,000	44,000	0.0
Total	137,790	137,047	0.5

NOTE: *Without extraordinary gains in 1987 and 1986, UAL would have reported losses of $4.2 million and $112.8 million, respectively.

Few American corporations suffered through as much turmoil in the last year as UAL Corp. Both the company's name and its chief officers changed twice, its major businesses changed, and the ownership of its major subsidiary, United Airlines, still could change. Even its annual report started out with somewhat of an understatement: "The friendly skies were turbulent last year."

UAL Corp. began 1987 as UAL, Inc. In February 1987, then chairman-CEO Richard Ferris announced his plan for a unified travel services company and a desire to change the company name to Allegis Corp.

Within six weeks UAL had agreed to acquire Hilton International Co. for $977.5 million, which gave Mr. Ferris' company United Air Lines, Hertz Corporation, Westin Hotels, Hilton International and Covia, its reservations system, as major subsidiaries. The name of United's in-flight magazine was changed to *Vis a Vis* and the parent company broke a $7 million image advertising campaign from Leo Burnett USA to support the name Allegis.

But Mr. Ferris' idea for a travel services combination and his personal style found little support among Allegis' airline employees and some investors.

In April, United Airlines pilots, afraid the airline wasn't getting the attention they felt it deserved, offered to buy the airline. The offer, since revised and solidified into a $110 a share bid, is still outstanding. In May, Coniston Partners said it had acquired 13% of what by then had become Allegis Corp. and wanted to replace the board and sell off non-airline assets.

By mid-June Mr. Ferris no longer worked for the company and the Allegis board had announced a restructuring that called for selling off hotel and rental car assets.

With Hertz president Frank Olson acting as temporary chairman, Allegis in fairly quick order sold off Hertz for $1.3 billion to Ford Motor Co. and Hertz executives including himself. It dispatched Hilton for $1.07 billion, and announced plans to sell off Westin Hotels, sending off the proceeds to shareholders. In December Stephen M. Wolf, a former Republic Airlines and Tiger International airlines executive, was named Allegis' new chairman and chief executive.

But the restructuring wasn't quite finished. This year, the company sold off half its reservations system to several European airlines and US Air and it took the old name, UAL Corp.

Against that considerable turbulence, UAL's principal remaining subsidiary, United Airlines seemed an island of relative placidity, though not without its own woes.

For the third year in a row, UAL reported a loss, this time $4.2 million on operating revenues of $8.2 billion. While UAL's sales of the other assets made clear the loss was due to the airline's performance, the loss still was a far cry from the 1986 $112.8 million loss (from continuing operations). And the hiring of Mr. Wolf gave the company someone with previous experience with an airline.

Mr. Wolf quickly blamed competitive cost pressures and competitors lower salaries as a major reason United lost money. But he also said improved scheduling and the purchase of newer and more fuel-efficient planes will help to increase United's efficiency and UAL's profits. United's opening of the new Chicago terminal also allowed it to schedule more flights through the city.

UAL reported a $27.9 million profit in the first quarter this year, against a $54.5 million loss in the same 1987 period. In the second quarter, it reported a record $124.2 million profit against $73.4 million last year when airlines were in the midst of fare wars. UAL also reported its break-even point on trips had dropped from 63% to 61% of capacity.

With company officials attention diverted elsewhere for much of 1987, the airline's advertising proceeded on its preset course. Leo Burnett USA's advertising, stressing the airline's business-class image and using George Gershwin's "Rhapsody in Blue" as theme music, continued at about the same level as 1986. And in Chicago, United opened its Terminal of the Future at O'Hare Airport, a futuristic structure that was quickly featured on some of the ads.

United's advertising also continued to point to its major service between Chicago, Washington, Denver, Washington and Los Angeles with hourly flights on most of the routes.

United also picked up some additional marketing muscle through agreements with British Airways and Alitalia that called for coordinating schedules, terminals and programs. One program with British Airways offered United travelers, who connected to British Airways flights, free trips from London to any place else in Europe. BA's U.S. agency Backer Spielvogel Bates, New York, handled the advertising for the $1.6 million promotion, with United paying half the cost. The decision by BA, KLM Royal Dutch Airways, Swissair and US Air to buy part of Covia and join in developing a new computer system also is expected to help for the future.

At midyear, however, United Airlines still confronted some longer term problems.

Despite load capacities that reached 70%, United's share of the U.S. airline market had slipped to 17% against as much as 20% in 1987. Of the five top U.S. carriers, only United showed a share decline. And past delays in ordering planes made it difficult for United to add much additional service especially in the South, where the carrier has no major hub south of Washington.

The lack of planes also hurt on United's Pacific runs, among the carriers most profitable. Separately, United faced the possibility of losing its prized and profitable Seattle to Tokyo route because of a Department of Transportation ruling.

Finally United's Mileage Plus program, one of the largest of any carrier, was becoming more expensive to operate because of the necessity of matching competitors offers of triple mileage credit to people who flew early in the year. In June, United announced a new program that encouraged frequent flyers to take shorter trips.

Mr. Wolf, in a candid assessment to stockholders at UAL's annual meeting, said United will have to make some major moves in the next few years to restore profitability. But he suggested some of United's problems are temporary while it awaits arrival of new planes it ordered. Meanwhile United is revamping schedules in a bid to get more efficiency.

In August, United indicated it was considering the possibility of entering the Mexican market. Mr. Wolf also has said the airline wants another hub in the Southeast and is looking at the possibility of European service or further South American service.

Insiders say Mr. Wolf is making major changes in UAL's management team with new people in charge of scheduling, maintenance, Pacific service and public relations, among the major changes.

UAL CORPORATION
1200 Algonquin Rd.
Elk Grove Village, Ill. 60007
(312) 952-4000

United Airlines
Elk Grove Village, Ill.

Marketing personnel: John R. Zeeman, exec vp-mktg & planning; John E. Ruhaak, vp-adv & promo; William Speicher, vp-genl sales mgr, Pacific div; Christopher D. Bowers, vp-genl sales mgr; Patricia Engels, vp-mkt devel; Tom Lagow, sr vp-planning; William F. Alenson, mgr-adv, domestic; Richard Veatch, mgr-promos; Barbara Mowry, president-MPI Inc.; Carl Norris, dir-cargo.

Brands/services by agency of record:

United Airlines

Ad agency: Leo Burnett USA, Chicago: James Thompson, sr vp-acct dir; Steve Crawford, vp-acct dir; John Goad, vp-acct super; Wendy Peters, Karen Berman, acct supers; John Kania, Lorraine McGill, Dick Treat, Sheila McAnanly, acct execs

RANK
12

Unilever PLC/NV

London/Rotterdam
ADVERTISING **$580.7** MILLION

Sales & earnings

($ in millions)

Worldwide	**1987**	**1986**	**% chg**
Sales	30,948	25,368	22.0
Earnings	946	1,413	(33.1)
U.S.	**1987**	**1986**	**% chg**
Sales	5,757	4,457	29.2
Operating income	448	169	165.1
Division sales	**1987**	**1986**	**% chg**
Food prods	15,277	12,617	21.1
Personal prods	9,542	7,132	33.8
Specialty chemicals	2,454	1,921	27.7
Other	3,675	3,698	(0.6)

U.S. advertising by media

($ in thousands)

Media	**1987**	**1986**	**% chg**
Newspaper	1,567	2,427	(35.4)
Business pub	1,770	315	462.8
Magazine	58,259	47,297	23.2
Newsp supp	245	466	(47.5)
Outdoor	64	56	14.7
Network TV	211,923	202,361	4.7
Spot TV	58,017	57,322	1.2
Network cable	4,865	5,080	(4.2)
Network radio	8,627	6,607	30.6
Spot radio	3,319	4,312	(23.0)
Measured	348,656	326,242	6.9
Unmeasured	232,000	217,000	6.9
Total	580,656	543,242	6.9

The merging of Chesebrough-Pond's personal-care products into its worldwide marketing operations provided the biggest test for Unilever in 1987.

Concentrating on building its core business of branded consumer goods, Unilever also divested subsidiaries that did not fit this strategy, including several operations acquired in the $3.1 billion buyout of Chesebrough-Pond's in December 1986.

From the Chesebrough buyout, it sold Prince Manufacturing Co., producer of tennis rackets and sportswear; Stauffer Chemical Co. and G.H. Bass Shoe division, all in mid-1987. That left Unilever with a more concentrated Chesebrough division that included divisions for packaged foods, health and beauty products and Prince Matchabelli.

To these divisions were added Lever Bros. personal products group including its oral hygiene unit. The Chesebrough acquisition also was to be only the first of many for Unilever which went on in 1987 to acquire 16 more companies for a total of $247 million.

Management of the company with joint headquarters in London and Rotterdam underwent reshuffling, notably, Morris Tabakblat rose to chairman of Lever Bros. from chairman-CEO of Chesebrough. He succeeded Gordon Stevens who retired. Robert M. Phillips continues as president of Chesebrough and adds the title of CEO, replacing Mr. Tabakblat.

In 1987, Unilever unleashed a slew of new products and line extensions, including a much bally-hooed Elizabeth Taylor's Passion from the Prince Matchabelli unit, and new tea lines from Lipton. In support of the new launches and existing brand lineup, Unilever hiked its U.S. ad spending by 6.9% to an estimated $580.7 million in 1987.

Lever Bros., despite its ailing personal-care units that were turned over to the stewardship of Chesebrough at mid-year, had a turn-around year in reporting $36.4 million in operating profits after reporting a loss of $37.5 million in 1986.

Lever Bros. household products and Lever foods/Shedd's divisions performed well in 1987, achieving all-time market share highs. Industry sources attribute this strong performance to successful national launches of products such as Surf detergents and Snuggle fabric softener sheets.

Lever's Snuggle fabric softener sheets grabbed a 10% share by spring 1987, up from a 7.5% share from 1986 when it rolled national, according to Jay Freedman, household products analyst at Kidder, Peabody & Co. But market share for Snuggle liquid softener declined from 14.3% to 12.0% by spring 1988.

Lever's Snuggle (liquid and sheets) and Final Touch fabric softeners combined attained a 29.5% share of the $630 million category in 1987. P&G remained the market leader with 51.5% share with its Bounce and Downy brands.

Spending for Snuggle softened to $18.8 million, down 22.2% from 1986. Final Touch was backed by $5.8 million, up 4.8%.

Even though Lever's Wisk (liquid) detergent jumped from 7.6% to an 8.5% market share in 1987, Lever could not retain its market share crown in the $3 billion laundry detergent category. P&G's Tide became the No. 1 selling brand in both liquid and powdered forms. Combined ad spending for Wisk (in both liquid and powdered form) in 1987 was down slightly to $21.1 million.

Lever Bros. rolled national its Surf detergent in both liquid and powdered forms in 1987. By spring 1988, Surf liquid had gained a 2.8% market share and Surf 5.0%. Combined ad spending in measured media for Surf liquid and powdered detergent jumped 41.7% to $18.2 million.

Lever also launched nationally its Sunlight automatic dishwasher liquid after a test run in Milwaukee and Phoenix in 1986. Sunlight automatic dishwasher brand (in liquid and powder forms) was backed by $6.1 million in measured spending in 1987.

In the $1.2 billion bar soap category, Lever's Dove beauty bar remained the No. 1 selling brand with a 14.0% share in 1987. Dove drew $13.6 million in measured media, up 11.8% from 1986. Caress bar, with a 6% share of the bar soap market, was supported with $10.2 million, up 1.2%.

Lever Bros. holds the lead in the $1.5 billion margarine category, with a 26.8% combined share for its Promise (4.5%); Shedd's (9.5%); "I Can't Believe It's Not Butter" (1.5%); Imperial (8.3%); Krona (0.5%) and Mrs. Filberts (2.5%) brands.

In the $1 billion dentifrice category, the Chesebrough division's Aim holds the No. 4 spot with a 7.0% market share, behind P&G's Crest lines (41.0%); Colgate-Palmolive's Colgate brands (22.0%); and Beecham Products' Aqua-Fresh (10.0%) share. Chesebrough put its ad dollars behind its newly formulated Aim Extra-Strength and anti-tartar toothpastes. Spending for regular Aim toothpaste was down 73.8% to $2.5 million, according to BAR/LNA.

The Chesebrough unit had net income of $76.2 million in 1987 and net sales of $1.1 billion, up 8% over 1986—the latter breaking down into revenues of $517.7 million for Chesebrough's packaged foods, up 14.3% from 1986; $393.2 million for its health and beauty products, up 1.9% and $176.3 for Prince Matchabelli, up 5.2%.

In 1987, Chesebrough's Prince Matchabelli division saw sales increase 11.1% over 1986, which it attributes largely to the success of Passion, Elizabeth Taylor's prestige fragrance. The fragrance, launched in July 1987, had the highest sales volume of any fragrance launched during the year. Passion, which is expected to gain a line of bath products, was supported with $2.9 million in measured media, according to BAR/LNA.

Prince Matchabelli's staple scents include Cachet, Verve, Wind Song and Aviance Night Musk.

In 1987 the Cutex line of nail-care products was moved to the Prince Matchabelli division from the health and-beauty unit of Chesebrough to "broaden the consumer base and unify the cosmetics and marketing approach of the Aziza and Cutex brands," the company said. Impulse body spray for women also was moved to the Prince Matchabelli division.

In the summer of 1988, Prince introduced a new Cutex product line called Strong Nail by Cutex. The line, containing nail enamels and nail treatment products, is billed as the "body builder for nails." The introduction was backed with $3 million in spending, via O&M, New York. Cutex has a 9% share of the estimated $750 million nail-care category.

Aziza cosmetics got a make-over early in 1988. The company decided to relaunch the line focusing on the brand's eye makeup heritage. In June 1988, ads appeared building around the idea of "eye art" to encourage experimental techniques with eye makeup.

Prince Matchabelli is readying a women's body spray, Tres L.A. and will introduce this fall, Hero, a men's fragrance. Also, the division is expected to launch a new women's fragrance in 1989.

Chesebrough continues testing of its Trust antiperspirant in the Southeast in an attempt to enter the highly-competitive $1.6 billion deodorant market. Measured spending for Trust was $3.7 million in 1987, according to BAR/LNA.

Chesebrough's packaged goods division experienced sales growth of 13% and a record 23% increase in net income in 1987. The company attributes virtually all the growth to the success of its flagship Ragu brand. Ragu maintains its No. 1 market spot with a 53% share in the spaghetti sauce market despite heavy competition from Campbell Soup Co.'s No. 2 Prego brand. Lever credits the brand's staying power to the introduction in early 1987 of Ragu Thick & Hearty spaghetti sauce which it claims captured a 10% market share after only three months of introduction.

Ragu Thick & Hearty represents Lever's long-term strategy to carve out new segments in the spaghetti sauce market. The Ragu line received $14.1 million in measured spending, up 23.6%, according to BAR/LNA.BBDO, New York, picked up the Ragu new products assignment. Chesebrough said it added a second agency to the Ragu business already handled by Waring LaRosa because of "rapid growth in the division and an aggressive new product development plan."

Unilever's Thomas J. Lipton unit reported net sales of $1.4 billion in 1987, up 8.4% from the year earlier. Similarly, Lipton's net income increased a healthy 18.7% to $108.6 million in 1987. Lipton credits its sales gains partly to new line extensions and heavy new product intros which totaled 165 in 1987.

In the overall $550 million tea category, Lipton is the undisputed leader with a combined market share of 50.5%. That will expand considerably if the acquisition of Celestial Seasonings from Kraft Inc. is approved. Lipton strengthened its lead in the herbal tea segment with sales gains of 8% for those brands.

Lipton took on Celestial Seasonings with the introduction in September of Oriental Treasures, an exotic line of herbal teas. Attention-getting magazine and TV spots asking "How do you make a Kabuki warrior smile?" supported the line. In 1987 Lipton spent $1.7 million in measured media for Oriental Treasures, according to BAR/LNA.

The Lipton/Celestial Seasonings combo would have an 84% share of the $77 million herbal tea market, but the proposed merger prompted competitor R.C. Bigelow to file suit in U.S. District Court. Bigelow claims the combined companies would create a monopoly causing it to incur inordinately high additional costs in advertising, promotion and slotting allowances. The case was scheduled to be decided this September.

Lipton made headway in the $200 million hot tea market in 1987. Its regular tea sales of 100-count tea bags rose 8% while those of the decaffeinated line, which last year rolled national, jumped 17%. Lipton will advertise the line as "naturally decaffeinated," a new process for the company, with in-store displays appearing in late spring.

Advertising spending for Lipton's decaffeinated teas softened somewhat in 1987. The company spent $3 million on its decaffeinated teas, down 8.3%, according to BAR/LNA. The company put its ad dollars behind regular teas, for which spending jumped 153% to $9.8 million.

In the powdered drink mix category, Lipton extended its Wyler's brand to include two new flavors—Strawberry Split Punch and Bunch 'o Berries Punch. Also under the Wyler's brand name, Lipton introduced this past April FruitSlush, a frozen treat.

Lipton is giving special attention to its dip/recipe soup mix varieties in 1988. This includes heavy couponing, promotions and a national sweepstakes. Last year the company spent $2 million in measured media, according to BAR/LNA.

In the estimated $475 million dry soup category, Lipton holds a 90% share. Its Cup-a-Soup brand achieved an 8% sales increase in 1987. Partly responsible for this boost, the company said, was the nationwide introduction in October of Lite Cup-A-Soups. The new brand has one-third less calories and less salt than the regular Cup-A-Soup line. Lipton spent $1.4 million on the product.

Lipton, which took over the No. 1 spot in the $900 million side-dish market from General Mill's Golden Grain division's Noodle Roni early in 1987, continued to add new varieties to its side dish lines. Spending for Lipton's Rice & Sauce side dish was down 51% to $3.2 million; $971,000 for Noodles & Sauce, down 54% and $622,000 for Pasta & Sauce, up 56% from 1986, according to BAR/LNA.

In the $313 million fruit snacks market, Lipton is the undisputed leader in the bite-size segment with its Sunkist Fun Fruits brand. Sales grew 19% for Fun Fruits last year. Lipton introduced Fun Fruits Dinosaurs to its letter, animals and numbers varieties last October.

Lipton said Fun Fruits Dinosaurs, which was designed to broaden the age appeal through their popularity with older children, is one of the most successful new product introductions in the company's history.

Lipton expanded distribution of its Sunkist Fun Fruit Surprises, first tested in Boston, to the eastern region. Also the company is testing Sunkist Two-T-Fruits, a tube-shaped snack targeted at young teens, in western and central regions.

In 1987 Lipton also branched out into a new category. The company is testing Country Fair Light Butter in Denver and Portland, Ore. The brand is touted as a reduced-calorie butter with 50% less cholesterol and fat than other brands.

UNILEVER PLC
Unilever House
London EC4P 4BQ England

Unilever U.S.
390 Park Avenue
New York, N.Y. 10022
(212)888-1260
Lever Bros.

Household Products Division

Corporate personnel: David F. Webb, president.

Marketing personnel: John R. Speirs, sr vp-mktg; William D. Ecker, mktg mgr-hard surface cleaners; William J. Gentner, mktg mgr-laundry additives; Charles M. Kummel, mktg mgr-bar soaps; George T. Mayer Jr., mktg mgr-laundry detergents; Richard C. Butler, dir-media; George J. Franzen Jr., sr vp-sales; Gloria B. Deragon, dir-mkt rsch; Elizabeth C. Crehan, dir-promo svcs; Frank E. Gonda Jr., dir-creative svcs.

Foods Division

Corporate personnel: A. Clive Butler, president.

Marketing personnel: John Nugent, vp-mktg; Michael E. Bauer, dir-mktg; Celene Varasano, sr mktg mgr; Thomas A. Murano, Rajan W. Nagarkar, mktg mgrs; Terry P. Byron, vp-sales; Lynn Johnson, dir-mkt rsch; Myrna Schreibman, sr promo devel mgr.

Special Markets Division

Corporate personnel: Gerard V. Batti, vp.

Marketing personnel: Frederick Thimme, mktg dir; Jerry A. Westman, genl sales mgr (armed forces-domestic); Thurlow C. Morgan, genl sales mgr (civilian mkts); S. Ray Marks, dir-sales planning.

Industrial Markets

Corporate personnel: Harold W. Jackson, genl mgr.

Marketing personnel: Riley N. Stone Jr., mgr-mktg & gov't sales; Robert D. Kneissl, mgr-detergent prods; Carl R. Canter, tech mgr-detergents & toiletries.

Brands/services by agency of record:

Automatic powder
Automatic liquid detergent
Caress bar
Sunlight dishwashing liquid
Wisk detergents
Mrs. Butterworth

Ad agency: BBDO Worldwide, New York: Gary diPaolo, exec vp; Don Maurer, mgmt rep (except Wisk); Anthony Brescia, mgmt rep (Wisk); Bill Heath, exec vp (Mrs. Butterworth); Anthony Brescia, mgmt rep (Mrs. Butterworth).

■

Dove bar
Final Touch fabric softener
Imperial margarines
Krona spreads
Surf powder and liquid detergents

Ad agency: Ogilvy & Mather, New York: Cliff Angers, group dir; Becky Saeger, mgmt super; Cecily West, acct super (Surf and Final Touch); Ellen Dubin, acct exec; Jane Davis, acct exec; Stephanie Becker, mgmt super; Gina Henry, acct exec (Imperial and Krona).

■

Dishwasher All
All concentrated/liquid detergents
Snuggle liquid & sheet fabric softener
Lifebuoy soap
Shield soap

Ad agency: Lintas:New York: Cynthia Wilford, acct super (All); Lisa Bell, acct exec (All); Sharon Moss, acct exec (Snuggle); Bill Zitriol, acct super (Shield, Lifebuoy); Joy Lewis, acct exec (Shield, Lifebuoy).

■

Dove liquid
Lever 2000
Lux soap
Rinso detergent

Ad agency: J. Walter Thomspon Co., New York: Steve Dworin, sr vp-mgmt dir; Bill Gross, acct dir; John Mittnacht, sr acct super.

■

Promise spreads
I Can't Believe It's Not Butter

Ad agency: McCann-Erickson, New York: Nancy Kingsberg, acct super; Francesca Morselli, acct exec.

■

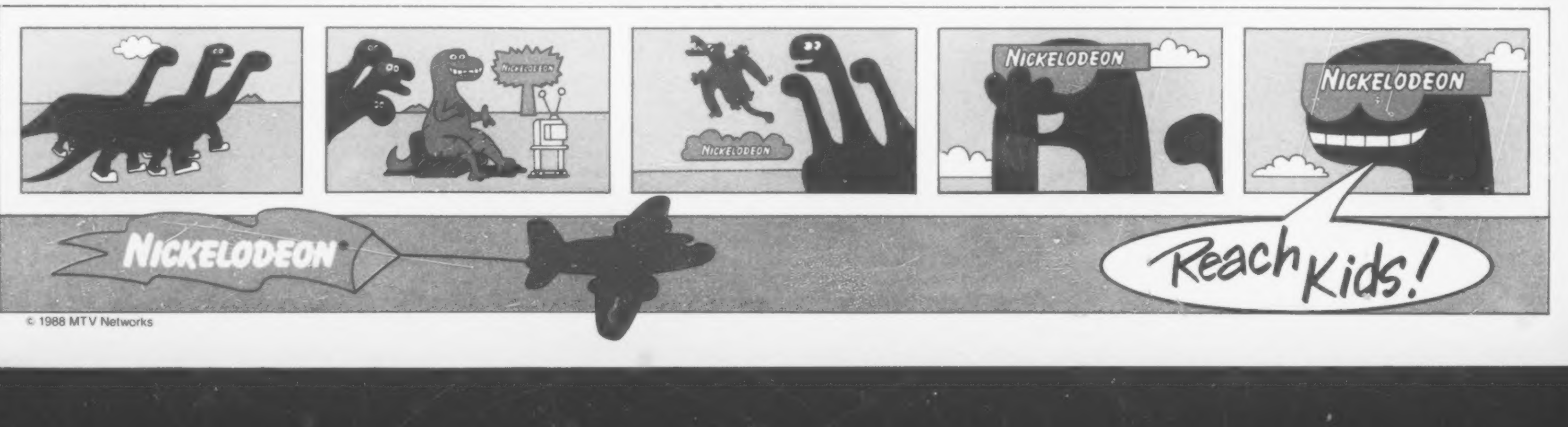
Country Crock cheese
Mrs. Filbert's margarine and salad prods
Shedd's Country Crock spreads

Ad agency: Stone & Simons, Southfield, Mich.: Howard Dembs, acct super; Doug Stone, sr acct exec; Lori Young, acct exec (Mrs. Filbert's).

■

Professional programs

Ad agency: Sudler & Hennessey, New York: Wayne Traub, sr vp-acct sup; Carolyn Saunders, acct exec.



© 1988 MTV Networks

■

Military mkt for spec mkt div
for Hawaii, Alaska & Guam

Ad agency: Moss & Co., New York: Mark Lane, acct super.

■

Industrial & institutional prods

Ad agency: Richard Lewis Corp., Scarsdale, N.Y.: Richard Lewis, president.

Thomas J. Lipton
Englewood Cliffs, N.J.

Corporate personnel: Blaine R. Hess, president-ceo; Thomas M. Fuelling, president-ceo, Lawry's Foods.

Marketing personnel: James W. Benson, sr vp-mktg; Christopher B. Fuller, sr vp-finance & genl mgmt div; Anthony L. Franke, vp-beverage div; Arthur Gonis, vp-foods div; John M. Heil, vp-grocery mktg, Lawry's Foods; Edmund Ladendorff Jr., vp-mktg support; Angelo S. LaMantia, vp-new prod & coord div; Robert S. Livingston, vp-sales div; Max J. Ballard, genl mgr-Good Humor; Richard P. Kundrat-genl mgr-food service & bottler-dairy div; Vivian Bruno, dir-mkt rsch; Bruce Hoenig, dir-media svcs; Theodore Labiner, dir-creative svcs; Anthony G. Montuori, dir-sales promo & coord; Linda Webb, dir-nutrition and consumer svcs; David P. Bell, dir-prod mgmt, regular & specialty teas; Bruce S. Belowich, dir-prod mgmt, soup & recipe prods; Gregory G. Knoll, dir-meals and side dishes; Stewart Krentzman, dir-prod mgmt, Wyler's; Daniel Morrison, dir-prod mgmt, condiments & snacks; Russell Sherwood, dir-prod mgmt, convenience teas; Allen L. Carlsen, Robert D'Amico, Thomas R. Keen, project dirs-new prods.

Brands/services by agency of record:

Convenience teas
Specialty teas
Tea bags

Ad agency: Lintas:New York: Stephen W. Norcia, exec vp-bus devel dir; Edward Parker, sr vp-mgmt super(teas, food service); Michael Rogers, sr vp-mgmt super (Cup-A-Soup).

■

Lipton soup mixes

Ad agency: Young & Rubicam, New York: Richard Kahn, vp-mgmt super; Cathy McCarthy, vp-acct super.

■

Sunkist Fruit Snacks
Wylers Fruit Slush

Ad agency: FCB/Leber Katz Partners, New York: David M. Roethgen, sr vp-group mgmt super.

■

Lipton Cool Salads
Lipton side dishes

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Michael Peroff, sr vp-mgmt super.

■

Lawry's Foods

Ad agency: Dailey & Associates, Los Angeles: Stephen Chabre, exec vp-ceo; Brian Morris, sr vp-mgmt super.

Chesebrough-Pond's
Westport, Conn.
Ragu Foods Division

Corporate personnel: Charles B. Strauss, president.

Marketing personnel: John W. Rice, vp-mktg; David M. Cooper, group prod mgr-spaghetti sauce; Frances Bainor-Ebner, group prod mgr-all other brands; Natalie Danysh, group prod mgr-new prods; Robert Spessard, vp-sales.

Brands/services by agency of record:

Adolph's meat tenderizers and marinades
Pasta Meals
Pizza Quick
Ragu spaghetti sauces
Ragu Pasta Meals

Ad agency: Waring & LaRosa, New York: Irwin Levy, sr vp-acct svcs; Clark Olver, mgmt super; Don Amira, vp-acct super (Ragu Pasta Meals); Ellie Schwartz, acct exec.

■

New prods

Ad agency: BBDO, New York: Bill Heath, exec vp; Janet Presley, mgmt rep.

Health & Beauty Products Division

Corporate personnel: Gary Malloch, president.

Marketing personnel: Patrick Choel, vp-mktg; Robert Sheasby, mktg mgr-skin care; Linda Nash, mktg mgr-facial skin care, hair care; Laura Klauberg, mktg mgr-oral hygiene, personal care, cotton swabs, dentrifrice, deodorant; Vic Gaudet, vp-sales.

Brands/services by agency of record:

Signal mouthwash

Ad agency: BBDO, New York: Bill Heath, exec vp; Anthony Brescia, mgmt rep.

■

Ponds
Q-Tips
Rave

Ad agency: Ogilvy & Mather, New York: Cliff Angers, group dir; Kathy Foley, mgmt super; Christine Flouton, acct super (Rave and Pond's); Carolyn Brynn, acct super (Q-tips).

■

Aim and Pepsodent toothpastes & toothbrushes
Trust deodorant

Ad agency: Lintas:New York: Lisa Gingrich, acct super (Trust); Laura Devine, Kerri Chessen, acct execs (Aim and toothbrushes).

■

Close-up toothpaste

Ad agency: J. Walter Thompson, New York: Steve Dworin, sr vp-mgmt dir; Michael Dabrowski, acct dir; Ann Pague-Campbell, acct super; Eve Shostak, acct exec.

■

Baby prods
Bath prods
Vaseline Hand & Nail
Vaseline Intensive Care lotions
Vaseline Lip Therapy
Vaseline Petroleum jelly

Ad agency: McCann-Erickson, New York: Susan Lansing, acct super; Barbara Guiffre, acct exec.

■

New prods

Ad agency: Mingo & Associates, New York: Larry Glover, vp-mgmt super.

Prince Matchabelli Division

Corporate personnel: Raymond Baliatico, president.

Marketing personnel: Sherry Baker, genl mgr-Erno Laszlo; Dave Waldron, vp-mktg, cosmetics & fragrances; Gregory Van Gasse, dir-mktg, fragrance; Mike Connor, mktg mgr-Aziza; Barbara Jasinski, mktg mgr-Cutex; Kent Doss, vp-sales.

Brands/services by agency of record:

Impulse Body Spray

Ad agency: Lintas:New York: Neill Myers, mgmt super; Debra Burke, acct super.

■

Aziza
Aviance Night Musk
Cachet
Cutex
Elizabeth Taylor's Passion
Erno Laszlo
Hero's men's fragrance
Masquerade
Verve
Wind Song

Ad agency: Ogilvy & Mather, New York: Cliff Angers, group dir; Kathy Foley, mgmt super; Leslie Rich, acct super; Carolyn Brynn, acct super (Aziza and Cutex).

RANK
97

United Biscuits (Holdings) PLC

London
ADVERTISING: **$ 84.8** MILLION

Sales & earnings
($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,081	2,837	8.6
Earnings	231.7	183.8	26.0
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1,244	1,177	5.7
Operating income	71	65	8.7
■ *Division sales*	*1987*	*1986*	*% chg*
Keebler (U.S.)	1,072	1,000	7.1
Specialty Brands	138	142	(2.5)

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	262	4	5,849.9
Business pub	692	397	74.2
Magazine	1,266	2,925	(56.7)
Network TV	28,058	22,204	26.4
Spot TV	5,438	1,681	223.5
Network cable	44	1	3,007.1
Measured	35,758	27,213	31.4
Unmeasured	49,000	37,000	32.4
Total	84,758	64,213	32.0

Keebler Co., major U.S. operation of British cracker king United Biscuits Holdings PLC, launched a number of sweet- and salty-snack products in 1987 as the elves watched chief rival Nabisco log a total of 18 new products or line extensions of its own.

United Biscuits, the second largest cookie and cracker producer outside the U.S., operates UB Foods US division in the U.S.—comprised of Keebler & Specialty Brands—and separately, Shaffer, Clarke & Co., an importer of specialty foods. Sales at UB Foods US were up 5.9% to $1.21 billion, while sales at Shaffer, Clarke leaped 14.2% to $39.5 million.

Sales and earnings data in the accompanying box were converted at the rate of 1£ = $1.5764 for 1987 and 1£ = $1.4678 for 1986, which gave the company an 8.6% increase in worldwide dollar sales. Without the pound-to-dollar appreciation, UB growth would have been only 1.2% in pounds.

Keebler business accounts for over 85% of UB's total U.S. sales and the subsidiary's 18% increase in dollar trading profit came as Keebler gained 1 point in its share of the overall cookie/biscuit market to 17%. Over 90% of the company's total U.S. ad spending is spent on Keebler products.

Elfin Loaves single-serve snack breads, launched mid-year, was Keebler's first frozen snack introduction. Substantial marketing support accompanied this foray into the frozen baked goods business. Keebler spent over $5 million bringing out the first four flavors, and another $3 million in the first quarter of 1988 when it added another flavor.

Elf-ingenuity spurred other product launches including E L Fudge Cookies to which Keebler devoted $7.4 million in measured ad support. Another $4 million was spent on Keebler Chips Deluxe, which boast 50% more chips per cookie.

Overall ad spending in the cookie segment totaled $11.5 million, up 27.1% from 1986, according to BAR/LNA.

According to *Snack Food*, a trade magazine for the industry, Keebler's growth in the cookies and crackers segment secures its No. 2 position behind Nabisco. Keebler "is pretty much second down the line, in those product categories" said *Snack Food* editor Jerry Hess.

With the introduction of O'Boisies potato snack chips, Town House Cheddar Jrs., Whole Wheat Jrs. and Classic Jrs., Suncheros tortilla chips and Club Cracker & Cheddar, Keebler expanded and strengthened its multiple presence in the salty-snack category.

Salty-snacks account for about one-third of the Keebler ad budget, not surprising given the giant-size chore facing the elves as they challenge entrenched Frito-Lay and Borden nationally.

Specialty Brands in U.S. dollars suffered a 3% decline in sales on a 5.5% increase in trading profit. United Biscuits has reached tentative agreement to sell the spice, salad dressing and olive subsidiary. The sale, which involves a number of buyers, is awaiting final FTC approval.

Despite currency fluctuations, Shaffer, Clarke boasted a 14.2% rise in sales but only 1.8% growth in trading profit for its Carr's Crackers imports and other UB Biscuits products—Ryvita crisp bread and Rose's Marmalade from England; Bonne Maman jams and jellies from France; Finn crisp bread from Finland; Apollinaris mineral water from Germany; KA-ME (kamay) oriental foods and confections from Holland, Britain and Switzerland. In the second quarter of 1988 Shaffer, Clarke lost two products which had previously received significant ad support, Wasa crisp bread and Ideal fiber crisp.

UNITED BISCUITS (UK) LTD.
P.O. Box 40 Syon Lane
Isleworth, Middlesex TW7 5NN
London

KEEBLER CO.
Elmhurst, Ill. 60126
(312) 833-2900

Marketing personnel: William T. Hanna, sr vp-mktg, biscuits; Charles L. Shemely, sr vp-dir, food service, intl; Richard L. Marcantonio, sr vp-brokered consumer prods & new prod devel; Darrell R. Splithoff, sr vp-retail sales; Robert Dillon, vp-new prods & mkt rsch; Roger W. Kalinowski, vp-biscuit mktg; Roy E. Koeckritz, dir-merch.

Brands/services by agency of record:

Cookies
Crackers
Salty snacks
Brokered prods
Elfin loaves

Ad agency: Leo Burnett USA, Chicago: Joe McGowan, vp-acct dir; Jim McNitt, Bob Key, supers.

SHAFFER, CLARKE & CO.
Old Greenwich, Conn.

Marketing personnel: George Korper, president; Peter Martorano, natl sales mgr; Roy Peterson, mktg mgr; Lisa Perrini, mktg asst.

Brands/services by agency of record:

Adv on project basis

Ad agency: Romann & Tannenholz Advertising, New York: John Hayes, acct exec.

RANK
53

U.S. Dairy Associations

Rosemont, Ill.
ADVERTISING: **$ 161.4** MILLION

U.S. advertising by media
($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	35	527	(93.4)
Business pub	4,573	1,997	129.0
Magazine	9,748	12,740	(23.5)
Newsp supp	313	688	(54.5)
Outdoor	1,207	1,576	(23.4)
Network TV	76,699	79,932	(4.0)
Spot TV	14,062	18,218	(22.8)
Network cable	2,080	1,238	68.0
Network radio	1	739	(99.9)
Spot radio	3,654	6,243	(41.5)
Measured	112,372	123,897	(9.3)
Unmeasured	49,000	54,000	(9.3)
Total	161,372	177,897	(9.3)

Advertising by the country's diverse dairy groups is changing as fewer dollars come through production assessment channels, as public perception of calcium, calories and cholesterol evolves and as a national power struggle between private and government dairy promotion agencies continue to alter their composition and responsibilities.

The major switch in advertising direction came in July 1987 when the National Dairy Promotion and Research Board took over all national cheese, butter and ice cream advertising from the American Dairy Association (ADA), a near half-century-old private group compared to the five-year-old, federally-mandated NDPRB.

First off the block, the NDPRB moved the big national cheese account worth nearly $22 million to DDB Needham, Chicago, from D'Arcy Masius Benton & Bowles, Chicago. Then, in January 1988, it shipped the $5 million-plus ice cream account to Grey Advertising, New York, from DMB&B.

The ADA got a further shock at the end of 1987 when the biggest of all state dairy promotion agencies, the Wisconsin State Milk Marketing Board, broke from the ADA fold to operate as an independent dairy marketing body. The breakaway pulled sizable Wisconsin funding from the ADA's budget. The Wisconsin board spends $7 million alone on its national cheese promotion program.

This apparent fracturing of dairy promotion groups and programs can be seen as the aftershocks following Congress' passage of the Dairy and Tobacco Adjustment Act of 1983. The law brought about an assessment of 15¢ per hundred weight of all fluid milk produced from dairy farmers and the creation of the National Dairy Promotion and Research Board (NDPRB), comprised of 36 members named by the U.S. Secretary of Agriculture from nominees proposed by dairy organizations across the nation.

According to the allocation, 5¢ goes to the NDPRB for national promotion, 5¢ is voted on by local dairy associations for state/regional or national promotion, and 5¢ must go to state and regional marketing promotion. These latter two nickels go to groups like the United Dairy Industry Association, Rosemont, Ill., parent of ADA.

The pot for dairy promotion funding is getting smaller, however. Total dairy promotion revenues received from U.S. dairy farmers in 1987 were $207.8 million, according to the NDPRB, down slightly from $208.3 million in 1986. The outlook for 1988 is flat to another slight decrease, partially because of the effect of the long summer drought on dairy production, say agricultural observers.

Revenue from dairy farmers for 1987 was down from 1986 for the two big dairy marketing promotion bodies—NDPRB and ADA. The National Board received $77.4 million for calendar 1987, off 3.3% from 1986. Its ad spending of $64.1 million was down 10% from a year earlier. ADA income from its members (including dairy processor manufacturers) dropped 15% in 1987, to $53.2 million. Its ad spending was about equal to NAPRB.

Specific 1987 expenditures for other dairy promotion units were: California Milk Advisory Board, $18.7 million; Oregon Dairy Products Commission, $850,000; Washington Dairy Products Commission, $3.5 million and Wisconsin Milk Marketing Board, $13.3 million. Altogether, these smaller regional units and the two big national promotion agencies totaled $161.4 million in spending, down 9.3% from 1986.

Operating on a mid-year fiscal year (May 1 to April 30), NDPRB reports its product ad backing for fluid milk at $15.8 million for 1987-88, up 17% from the prior-year period.

Backing for butter from the National Board was up 42% to $11.1 million as that body took over the national continuity program. Ice cream rose 6% in 1987-88 to $5.3 million. At the same time, NDPRB backing for dairy calcium dropped 53% in 1987-88 to $6.8 million.

The ADA's total fluid milk spending for seven measured media, as monitored by BAR/LNA, was $32.1 million, down 13.3%. Cheese advertising by ADA totaled $26.3 million, up 12%. Butter spending grew 5% to $15.5 million. Ice cream jumped sharply to $5.54 million from just $272,300 in 1986.

Television continues to be the top media choice for dairy advertising. Network, spot and cable TV accounted for $94.9 million, or about 75.5% of the 11-media total. Network alone claimed $76.7 million of the TV total.

While it has lost continuity advertising for cheese, butter and ice cream, the ADA still is a major factor in these areas because it continues ad campaigns that include local store tie-ins with point-of-purchase content and other promotional elements.

For ice cream, its June Dairy Month promotion included some continuity for that product. And it is responsible nationally for young adult—18 to 34 years—fluid milk continuity advertising.

Working with the Beef Industry Council and Beef Board, the ADA in February 1988 launched a program to prime sales of cheese and ground beef. In this $7 million campaign, NBC "Today Show" weatherman Willard Scott "forecast Gourmet Cheeseburgers" for the nation's backyard grills.

In other tie-ins, the ADA this summer ran its June Dairy Month "Get MOOOvin' with Milk" promotion via TV, radio, pop and consumer mail-in incentives. Related to this were other tie-ins urging "Have Your Veggies Willard's Way" showing Willard Scott enjoying buttered vegetables.

In another program, consumers received a coupon for a free half gallon of milk in return for three UPC codes from Sara Lee pastries.

Despite fractionalization, the industry has sought better promotional coordination, at least on paper. The United Dairy Industry Association in its "1987 Report to Investors," reported it had written to the Secretary of Agriculture stating its support of a single national dairy promotion organization. It also said it would pursue discussions with the NDPRB to achieve that goal, and at the same time coordinate grass-roots promotions with NDPRB activities in order to maximize UDIA program effectiveness.

Still, despite any differences, the goal of the 1983 Act was bigger ad dollars to boost dairy sales, and that clearly has happened. And those ad dollars have helped stimulate sales of dairy products. The ADA reports that dairy products sales since the passage of the Act in 1983 are up 10%; that total per capita U.S. milk product consumption had risen by 32 pounds in the first three years after passage.

U.S. DAIRY ASSOCIATION
American Dairy Association
6300 N. River Rd.
Rosemont, Ill. 60018
(312) 696-1880

Marketing personnel: Joseph B. Kelsch, president, ADA-sr vp-adv & mktg svcs, United Dairy Ind. Assn.; Stephen Dohmann, vp-mktg planning; Grover Simpson, vp-mktg svcs; donna Arcus, dir-adv svcs.

MARKETING—EXECUTIVES
Packaged Goods and Financial Services
MARTHA WARD ASSOCIATES
EXECUTIVE SEARCH SPECIALISTS
71 Park Ave., N.Y., N.Y. 10016-(212) 689-6227

Brands/services by agency of record:
Butter
Cheese
Fluid milk
Other dairy food
REAL Seal

Ad agency: D'Arcy Masius Benton & Bowles, Chicago: Ben Bishop, sr vp-group acct dir; Bob Meuser, sr vp-mgmt super; Andrea Dichter, acct super

■

Food service

Ad agency: Noble-Tennant, Chicago: Gary Waldron, coo; Tim Dorgan, exec vp-dir-acct svcs; Susan Saltwell, acct super

National Dairy Promotion
and Research Board
2111 Wilson Blvd., Suite 600
Arlington, Va. 22201
(703) 528-4000

Marketing personnel: George De Jager, sr vp-adv; Kathryn M. McHugh, mgr-adv programs; Bill Diggins, vp-mktg & econ rsch; Charles M. Timpko, mgr-mktg & econ rsch; Edith H. Hogan, sr vp-nutrition education & rsch

Brands/services by agency of record:
Adv to med profession

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt Medical Advertising, New York: Anne Petz, acct exec

■

Cheese

Ad agency: DDB Needham Worldwide, Chicago: Tom Hanft, sr vp-group acct dir

■

Nonfat dry milk
Trade adv

Ad agency: Gorman Publications, Chicago: Harry Stagnito, vp

■

Butter
Ice cream

Ad agency: Grey Advertising, New York: Jordan Rosuck, exec vp

■

Calcium
Youth milk

Ad agency: McCann-Erickson, San Francisco: Tom Drese, sr vp

California Milk
Advisory Board
1213 13th St.
Modesto, Calif. 95354
(209) 521-1060

Marketing personnel: Ralph Watts, ceo

Brands/services by agency of record:
Manufactured dairy prods

Ad agency: Foote, Cone & Belding, Los Angeles: Harry Lamdseidel, acct super; Rob Hudnut, acct exec

■

Fluid milk

Ad agency: McCann-Erickson, San Francisco: Barbara McCann, acct super; Tracy Rice, acct exec

Oregon Dairy Products
Commission
10505 S.W. Barbur Blvd.
Portland, Ore. 97219
(503) 229-5033

Marketing personnel: Sheldon Pratt, ceo; Peggy Kern, mktg dir

Brands/services by agency of record:
Dairy prods

Ad agency: (In house) Peggy Kern, mktg dir

Washington Dairy
Products Commission
1107 N.E. 45th St.
Seattle, Wash. 98105
(206) 545-6763

Marketing personnel: Doug Simpson, mgr

Brands/services by agency of record:
Dairy prods

Ad agency: Ehrig & Associates, Seattle: Steve Matzen, acct exec

Wisconsin Milk
Marketing Board
4337 W. Beltway Hwy.
Madison, Wisc. 53711
(608) 271-1021

Marketing personnel: Ric Johnson, dir-mktg; Pete DeMars, mgr-consumer mktg; Patricia Hevenor, mgr-food svc mktg

Corporate media buying: D'Arcy Masius Benton & Bowles, Chicago: Wisconsin cheese: Mike Leonhart, mgmt super

Brands/services by agency of record:
Food processing

Ad agency: Koss Wessen, Milwaukee: Warren Eulgin, mgmt super

Fluid milk

Ad agency: McCann-Erickson, San Francisco: Barbara McCann, mgmt super.

■

Food service

Ad agency: Stephan & Brady, Madison: George Whitley, mgmt super; Katherine Johnson Becklind, mgmt super-cultured milk.

RANK
29

U.S. Government

Washington
ADVERTISING **$311.3** MILLION

U.S. advertising by media
($ in thousands)

Media	1987	1986	% chg
Newspaper	3,996	7,798	(48.8)
Magazine	44,164	48,179	(8.3)
Outdoor	1,000	338	195.9
Network TV	55,659	78,631	(29.2)
Spot TV	35,342	34,095	3.7
Network cable	2,714	965	181.2
Network radio	10,124	8,196	23.5
Spot radio	8,844	9,725	(9.1)
Measured	161,843	187,927	(13.9)
Unmeasured	149,456	119,132	25.5
Total	311,299	307,059	1.4

Despite new paid and public service advertising campaigns, U.S. Government ad spending rose only 1.4% in fiscal 1987, to $311.3 million. Government spending is likely to dip this year, because of cutbacks in military ad spending and the fact that no new special ad programs have been launched this year.

Military recruitment advertising continues to account for two-thirds of federal ad dollars. In 1987, military recruiters spent $191.5 million, down 7% from 1986. The 1988 spending level is expected to be down another 1%, to $188.9 million. The cuts come as the Defense Department has been forced to slice spending in all areas.

Other major government advertisers saw their budgets stay stable or increase in 1987. The U.S. Postal Service hiked its spending in 1987 by 21% to $40 million. It hopes to stem its eroding share of the overnight delivery market; its Express Mail service had been the No. 2 player in the category but has slipped to fourth place, with a 10% share, down from 15% in 1986.

Young & Rubicam, New York, retained its grip on the USPS account, which will bill about $41 million next year. Y&R, which first won the account in 1974, competed against BBDO, DDB Needham Worldwide, Grey Advertising and Ogilvy & Mather.

Amtrak saw no change in its spending, remaining constant at $29 million. It is sticking with its three-year-old "All Aboard Amtrak" campaign via DDB Needham Worldwide. Ridership on Amtrak is up 16% and income is up 18% for 1988.

The U.S. Mint continues to be a major advertiser; it spent $22 million last year advertising a commemorative coin for the U.S. Constitution Bicentennial. That campaign, however, was 31% smaller than the ad budget for the Statue of Liberty commemorative.

The Constitution coin, using the theme "Hold onto the Promise," raised $50 million. Backer Spielvogel Bates, New York handled. This year, the Mint hopes to raise another $50 million from sales of an Olympic commemorative. It is spending less, however, on advertising, with a $16 million campaign using the theme, "Help America Shine," via Grey Advertising, New York.

For 1989, the Mint has no new commemorative but several coin proposals are currently under debate in Congress.

A new program in 1987, by the Immigration and Naturalization Service, was only a lukewarm success, but it served to teach government advertisers lessons they are now using in other advertising programs.

The INS $11 million service campaign sought to inform illegal aliens of changes in immigration laws and encouraged eligible aliens to apply for amnesty. However, the INS discovered its initial advertising by the Justice Group, Los Angeles, failed to reach many aliens, who were distrustful of government messages delivered via traditional and even ethnic broadcast and print media. The campaign became more promotional, using techniques such as fliers stuffed in tortilla packages and posters tacked up at local community centers.

The U.S. Bureau of the Census will copy some of the INS tactics in its advertising for the 1990 census. It found in 1980 that it missed at least 5% of the black and ethnic U.S. population. For the first time, it has hired black and Hispanic agencies to create advertising aimed at those groups. The Advertising Council continues to handle its public service campaign. This summer, the Census Bureau tested new advertising in St. Louis. The black campaign, with creative supplied by the Mingo Group, New York, uses the theme, "Stand right up for who you are," while the regular advertising, by Ogilvy & Mather, New York, will use the theme, "Put yourself in the picture." Hispanic advertising from Castor International, New York, is under development, and the Census Bureau also is looking for an Asian ad agency to reach Orientals.

AIDS awareness advertising in 1987 also was a sizable addition to the government spending total. The Centers for Disease Control awarded a $7.8 million assignment to Ogilvy & Mather, Atlanta and Washington, to handle public service advertising, as well as a major mailing to every household about the deadly disease.

"America Responds to AIDS" is the theme of the ad campaign which broke in November 1987. New spots to be distributed to TV stations this fall will focus on women at risk and young adults. The campaign also will advocate use of condoms as the best method to prevent spread of the deadly disease.

Congress is considering legislation for AIDS education and research which may include a significant paid advertising component. The bill has passed the Senate, but a similar version introduced in the House would not authorize paid advertising.

Congress will be more powerful in deciding future federal ad programs than a new President, say government marketers who have been through many administration changes. The Army, for example, planned its "Be all you can be" campaign during the last year (1980) of the Carter Administration, and broke the advertising during the first year of the Reagan Administration.

New political appointees in the Department of Defense could alter slightly the distribution of advertising funds to the various services. The Defense Department has decided putting more media dollars behind an umbrella campaign for all the services will be more cost-effective than individual service advertising.

The philosophy sparked much controversy, particularly among Army recruiters, who have the largest quotas and the most difficulty attracting high quality candidates.

Joint advertising's budget increased by 25% to $21.5 million in 1987 and is slated to rise another 25% to $27 million in 1988. For 1989, the joint ad program has requested $35 million. In January, it intends to break its first new TV advertising in several years. Grey Advertising, New York, handles.

The Army's budget is dropping slightly. It spent $101.6 million in 1987, down 3%, and expects advertising to drop another 9% in 1988, to $93.4 million. For 1989, it has requested $98.9 million.

New this year was an Army ROTC test of its first paid TV advertising, which uses the theme, "Army ROTC. The smartest college course you can take." ROTC recruiters haven't decided whether to expand the test. Other Army advertising increasingly will emphasize ways in which Army experience can be used when soldiers return to civilian life. Y&R, New York, handles both Army and Army ROTC.

The Navy, whose ad budget plummeted 56% in 1987 to $14.9 million, switched agencies to BBDO Worldwide, New York, and in 1988 is spending $17.7 million, up 18%, with a new campaign theme, "You are tomorrow. You are the Navy." The TV and print campaign replaced its 12-year-old "Live the adventure" campaign by Backer Spielvogel Bates. The Navy seeks a $15.5 million budget for 1989.

The Marines' ad budget rose 29% to $20 million in 1987. It will spend only $17.7 million this year and has requested the same level for 1989. New creative, via J. Walter Thompson USA, Atlanta, will likely break later this year.

The Air Force continues to "Aim High," but with budget cuts. Air Force in 1987 spent $16.8 million, up 3%, but its budget fell 11% to $14.8 million in 1988. Next year it requests a $14.3 million budget.

The Army National Guard spent $13.4 million in 1987, up 22%; the Air National Guard, $2.8 million, no change. For 1988, both Air and Army Guards expect to increase spending, with the Army Guard receiving a 7% increase to $14.4 million, and the Air Guard rising 18% to $3.3 million. They have requested slightly more for 1989.

The Coast Guard, which will for the first time become part of the joint advertising campaign, spent about $500,000 in 1987, and anticipates spending slightly more this year, about $600,000.

Military recruiters met their goals in 1987, with 93% of the new recruits high school graduates, up 1% from 1986. For the first half of fiscal 1988, the military has met its mission, with 92% high school graduates, but its goals were much lower than in previous years. Military recruiters worry they may not be able to continue signing up high quality recruits as the potential pool of eligible 18 year olds will shrink to a low in the next four years.

Public service advertising by government agencies more than doubled to $15.3 million, a 128% increase from 1986. Half of the total, however, went to the AIDS campaign. The Advertising Council also saw its billings rise 12% to $3 million. It expects its 1988 total to be even greater, about $5.5 million.

U.S. GOVERNMENT
Washington, D.C.

Department of Defense

Staff personnel: Dr. David Armor, principal deputy asst sec-force mgmt & personnel; Grant S. Green Jr., asst sec-force mgmt & personnel.

Marketing personnel: Lynn Lucchetti, dir; Lt. Col. Darrell Supak, USA, asst dir-adv, contracting officer's rep; Maj. Martha Cavaiani, USA, deputy dir; Lt. Porsche Gaston, USN, program adv mgr; Capt. Michael Hull, USMC, program adv mgr; Capt. Donna Edwards, USAF, program adv mgr; Lt. Peter Ganser, USCG, program adv mgr.

Brands/services by agency of record:
Joint recruiting

Ad agency: Grey Advertising, New York: Robert Ravitz, sr vp-mgmt rep; Ed Murphy, vp-group mgmt super; Gary Niebauer, Bill Sandberg, vps-mgmt supers; Jim Battin, vp-mgmt rep, direct response; David Stanley, acct super; Sherman Landwehr, business mgr.

U.S. Army/Army Reserves

Staff personnel: Delbert R. Spurlock, asst sec-manpower & reserve affairs; Lt. Gen. Allen K. Ono, deputy chief of staff-personnel; Maj. Gen. Thomas P. Carney, commanding general, U.S. Army Recruiting Command; Maj. Gen. William F. Ward, chief, Army reserve; Gen. Maxwell R. Thurman, commanding general, U.S. Army training & doctrine command.

Marketing personnel: Lt. Col. Edward A.M. Sullivan, chief-mktg & adv office; Col. David R. Fabian, dir-adv & sales promo.

Brands/services by agency of record:
Army
Army Reserve

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp-group dir; Bill Green, sr vp-mgmt super; Vic Capellupo, vp-rsch dir; Bruce Wager,sr vp-media dir.

U.S. Army ROTC

Staff personnel: Maj. Gen. Robert E. Wagner, commanding general, ROTC.

Marketing personnel: Col. Alexander Woods, chief-mktg div, ROTC.

Brands/services by agency of record:
Army ROTC

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp-group dir; Clark Brooks, vp-mgmt super; Vic Capellupo, vp-rsch dir; Bruce Wagner, sr vp-media dir.

U.S. Navy

Marketing personnel: Capt. R.F. Kelly, dir-recruiting adv; Steve Abbott, dir-adv operations div.

Brands/services by agency of record:
U.S. Navy

Ad agency: BBDO Worldwide, New York: Frank Perkins, exec vp-mng dir; Janet Presley, vp-mgmt rep; Lenny Sussman, vp-acct super.

U.S. Marine Corp.

Marketing personnel: Maj. Gen. G. Cooper, dir-personnel procurement div; Lt. Col. D. Caudill, head-mktg branch.

Brands/services by agency of record:
U.S. Marine Corp.

Ad agency: J. Walter Thompson USA, Atlanta: Chris Hall, vp-group acct dir; Brent Katzmann, acct super.

U.S. Air Force

Marketing personnel: Brig. Gen. E. Daniel Cherry, commander, recruitng svc; Col. Melvyn Cummings, dir-Air Force recruiting adv & promo.

Brands/services by agency of record:
U.S. Air Force

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Gerret Schwieger, vp-acct group dir; Doug Laughlin, vp-mgmt rep; Robert Verdugo, acct super; Lucy Aguinaldo, business mgr.

National Guard

Marketing personnel: Maj. John Runner, chief, Army National Guard recruiting & retention mgmt center; Lt. Col. Carol Boone, Air National Guard recruiting & retention branch.

Brands/services by agency of record:
National Guard

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Gerret Schwieger, vp-acct group dir; Doug Laughlin, vp-mgmt rep; Ron Owners, acct super; Tom Previ, acct exec (Army National Guard); Bill Russell, acct exec (Air National Guard).

Transportation Department
Coast Guard

Marketing personnel: Commander Peter Poerschke, chief, recruiting & job entry div; Lt. Commander Philip Matyas, dir-natl adv.

Brands/services by agency of record:
Coast Guard

Ad Agency: CSI Productions, Hyattsville, Md.: Noel Izon, president-acct super.

U.S. Postal Service

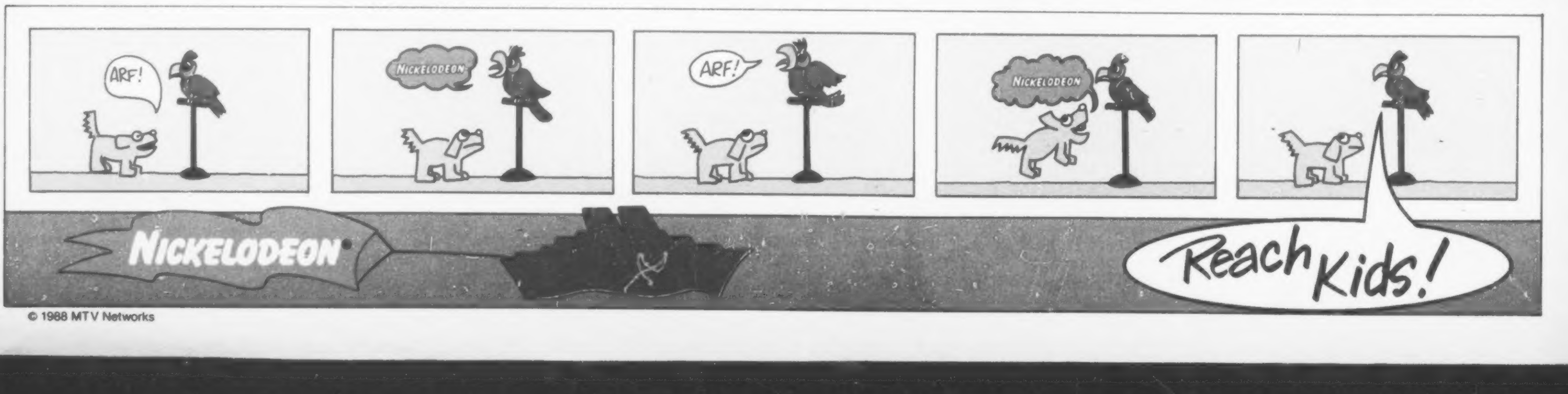
Marketing personnel: Gordon Morrison, accounting sr asst postmaster-mktg & comm; John Wargo, asst postmaster-mktg; Rod DeVar, mgr-creative svcs branch.

Brands/services by agency of record:
U.S. Postal Service

Ad agency: Young & Rubicam, New York: Richard Kahn, sr vp-mgmt super; Richard Kebbon, Bill McGorry, vps-acct supers.

Amtrak

Marketing personnel: William S. Norman, exec vp-mktg & business devel; Timothy P.


ARF!
NICKELODEON
ARF!
NICKELODEON
NICKELODEON
Reach Kids!

© 1988 MTV Networks

Leading advertisers ranked 101 to 200

Profiles of the following leading national advertisers will be published on Nov. 21, 1988

Advertiser, headquarters

Alberto-Culver Co., Melrose Park, Ill.
Allied-Lyons PLC, Windsor, Ontario
American Stores Co., Salt Lake City
Apple Computer, Cupertino, Calif.
Avis Inc., Garden City, N.Y.
BellSouth Corp., Atlanta
Bertelsmann AG, Guertersloh, W. Germany
Black & Decker Manufacturing Co., Towson, Md.
Block Drug Co., Jersey City, N.J.
Blue Cross & Blue Shield Association, Chicago
Bond Corp. Holdings, ZPerth, Australia
Brown-Forman Corp., Louisville, Ky.
Cadbury Schweppes PLC, London
Campeau Corp., Toronto
Canandaigua Wine Co., Canandaigua, N.Y.
Canon Inc., Tokyo
Capital Cities/ABC, New York
Carter-Wallace, New York
CBS Inc., New York
Chevron Corp., San Francisco
Ciba-Geigy, Ardsley, N.Y.
Circuit City Stores, Richmond, Va.
Citicorp, New York
Collins Foods International, Los Angeles
Cotter & Co., Chicago
Helene Curtis Industries, Chicago
Dayton Hudson Corp., Minneapolis
De Beers Consolidated Mines Ltd., London
Domino's Pizza, Ann Arbor, Mich.
Dow Jones & Co., New York
Exxon Corp., New York
First Brands Corp., Danbury, Conn.
Florists Transworld Delivery Assn., Southfield, Mich.

Advertiser, headquarters

Foodmaker Inc., San Diego
Greyhound Corp., Phoenix
GTE Corp., Stamford, Conn.
Guinness PLC, London
Gulf & Western, New York
Hanson PLC, London
Hattori Corp., New York
Hearst Corp., New York
Hewlett-Packard Co., Palo Alto, Calif.
Holiday Corp., Memphis, Tenn.
Geo. A. Hormel & Co., Austin, Minn.
Imasco Ltd., Montreal
Imperial Chemical Industries PLC, London
Isuzu Ltd., Tokyo
Jaguar Cars Ltd., Leonia, N.J.
Jerrico Inc., Lexington, Ky.
Kimberly-Clark Corp., Irving, Texas
Estee Lauder Inc., New York
MasterCard International, New York
Mattel Inc., Hawthorne, Calif.
May Department Stores Co., St. Louis
MCI Communications Corp., Washington
Melville Corp., Harrison, N.Y.
Mennen Co., Morristown, N.J.
Merrill Lynch & Co., New York
Metropolitan Life Insurance Co., New York
Mitsubishi Motors Corp., Tokyo
National Live Stock & Meat Board, Chicago
NEC Corp., Tokyo
News Corp. Ltd., Sydney
NWA Inc., St. Paul, Minn.
Orion Pictures Corp., New York
Pacific Telesis Group, San Francisco

Advertiser, headquarters

Pan American World Airways, New York
Park Ridge Corp., New York
Playtex Inc., Stamford, Conn.
Polaroid Corp., Cambridge, Mass.
Primerica Corp., Greenwich, Conn.
Reckitt & Colman PLC, London
A.H. Robins Co., Richmond, Va.
Sandoz Ltd., Basel, Switzerland
SmithKline/Beckman Corp., Philadelphia
Sony Corp., Tokyo
State Farm Mutual Auto. Ins. Co., Bloomington, Ill.
Levi Strauss Associates, San Francisco
Suzuki Motor Co. Ltd., Hamamatsu, Japan
Tambrands Inc., Lake Success, N.Y.
Thompson Medical Co., New York
3M, St. Paul, Minn.
Tonka Corp., Minnetonka, Minn.
Trans World Airlines, New York
Turner Broadcasting System, Atlanta
United Parcel Service of America, Greenwich, Conn.
USAir Group, Arlington, Va.
U.S. Shoe Corp., Cincinnati
U.S. Sprint Communications Co., Kansas City
U.S. West, Englewood, Colo.
VF Corp., Wyomissing, Pa.
Visa International, San Francisco
Volvo AB, Goteborg, Sweden
Wal-Mart Stores, Bentonville, Ark.
Wellcome Foundation PLC, London
Whirlpool Corp., Benton Harbor, Mich.
Wickes Cos., Santa Monica, Calif.
F.W. Woolworth Co., New York
Xerox Corp., Stamford, Conn.
Zayre Corp., Framingham, Mass.

Gardner, vp-mkt planning & devel; William Castleberry, dir-adv & sales promo

Brands/services by agency of record:

Amtrak

Ad agency: DDB Needham Worldwide, New York: Roy Lancaster, group sr vp-business unit dir; Richard Murray, sr vp-mgmt rep; Lauren Berger, vp-mgmt rep

U.S. Mint

Marketing personnel: Dan Cahill, assoc dir-mktg; Brian O'Donnell, dir-adv; Michael Brown, dir-pr

Brands/services by agency of record:

U.S. Mint

Ad agency: Grey Advertising, New York: Robert Ravitz, sr vp-mgmt rep

RANK
49

Volkswagen AG

Troy, Mich
ADVERTISING: **$ 167.3** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	23,867	22,726	5.0
Earnings	273	268	1.9
■ U.S.	1987	1986	% chg
Sales	3,213	4,943	(35.0)
Operating income	(316)	91	(447.3)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	25,141	15,914	58.0
Business pub	234	208	12.9
Magazine	23,270	35,844	(35.1)
Newsp supp	106	255	(58.4)
Outdoor	1	67	(98.7)
Network TV	49,628	49,418	0.4
Spot TV	13,073	19,238	(32.0)
Network cable	1,332	833	59.9
Spot radio	4,472	1,576	183.8
Measured	117,257	123,353	(4.9)
Unmeasured	50,000	53,000	(5.7)
Total	167,257	176,353	(5.2)

Volkswagen of America is hoping its new advertising strategy that emphasizes brand character will rebuild sales and set it apart from major competitors as it prepares to launch two new models in 1989.

A subsidiary of Germany's Volkswagen AG, the Troy, Mich.-based company reported a 35% drop in sales and an operating loss of $316 million. Volkswagen AG, whose results are reported in the accompanying box, saw sales and net income rise 5% and 2%, respectively. (Figures for both fiscal years were converted at the rate of DM1.81 = U.S.$1.)

VW sold 191,705 vehicles in 1987, well below its projected sales of between 225,000 and 230,000 units. The company's share of the U.S. import market dropped from 6.7% to 6.1%. Its share of the total U.S. market remained at just under 2%.

VW attributes these declines both to a drop in demand and higher prices due to the weak dollar. Some of the shortfall also can be traced to a poorer-than-expected performance by the Fox, VW's answer to the Hyundai Excel from South Korea, as well as low-end entries from both Japanese and Detroit automakers.

The company was hoping that sales of the $6,000 subcompact would total between 50,000 and [illegible]0,000 units in 1987, Fox's first year on the market. Actual vehicle sales, however, totaled 40,176 units. VW said this was due not to a lack of demand, but to delivery problems from Brazil, where the car is manufactured. Although the company is projecting sales again of about 40,000 units for calendar year 1988, it expects a stronger showing in 1989.

Both the broadcast and print ad campaigns for the 1988 model year centered around the "German Engineering. The Volkswagen Way" theme. "We believe our cars have a distinctive driving experience and we wanted to focus on that," said William A. Gelgota Jr., mgr-Volkswagen advertising.

Hoping to create enough of a performance image to differentiate itself from other low-to-mid-priced importers, namely Toyota, Honda and Mazda, the ads stressed German engineering as one factor in producing performance-oriented cars. Network spots included test-track shots of VWs speeding, swerving, spinning and breaking just in time before wiping out a group of stoically-standing, white-jacketed engineer-types.

National print ads also included the campaign's theme line, but were more model-oriented, featuring uncluttered shots of the cars with a catchy headline and copy underneath. An ad for the $9,000-and-up Jetta, for example, had a headline that read "Roads Scholar" and asked, "Who after all, but Volkswagen could build such a meticulously crafted German-engineered sedan for a price that's so refreshingly reasonable?"

Mr. Gelgota said VW is proceeding in the same direction for the 1989 model year, as it sets the stage for two new models: the Corrado, a supercharged performance car which will debut in the spring of 1989, and the mid-sized Passat, the Quantum replacement that will be launched the following fall.

VW also continued what Mr. Gelgota described as the company's "event strategy" during the 1988 model year, staking out auto exclusivity on the pregame and postgame 1988 Super Bowl shows. Mr. Gelgota said VW ads also will be seen during the 1988 World Series and that the company already has secured auto exclusivity for the first-quarter of the 1989 Super Bowl.

VW's line-up of cars was altered only slightly for the 1988 model year. A luxury Jetta and base Golf model were introduced; Golfs and Jettas featured increased horsepower; the Cabriolet convertible received its first facelift since its introduction in 1980 and the Quantum models now come fully equipped.

In July, VW closed its sole U.S. plant in Westmoreland, Pa. Production at Westmoreland began in 1978 against a background for growing demand for compact cars. Less than two years ago, the Jetta joined the Golf and derivative GTI as the only cars assembled there. Increased competition and slumping sales were behind the company's decision to cease production.

Audi of America, a division of Volkswagen of America, continued to be haunted by the controversy surrounding the Audi 5000 in 1987 as media attention and lawsuits over alleged incidents of unintended acceleration kept the company's problems in the spotlight.

Despite a massive marketing program designed to rebuild Audi's image and restore the public's faith in its cars, sales continued to spiral downward and the slide appears to be carrying over into 1988.

Unit sales for 1987 totaled 41,322 vehicles, a drop of roughly 30% from the previous year. Meanwhile, the introduction of the new $18,000-and-up 80/90 sports sedan series in November and an ad campaign designed to evoke buyers' nostalgia failed to stop the slide. Vehicle sales for the first half of 1988 totaled 11,733 units, down more than 50% compared to the same period in 1987.

Audi is pinning its hopes for a slight rebound during the remainder of 1988 on its new $24,000-and-up 100/200 series

Where do the top 1000 companies spend their money?

Turn to LNA for answers
See page 151

which debuted August 1. Buoyed by the launch of the new cars, facelifted versions of the 5000, Audi is projecting a stronger second-half and total 1988 sales of about 27,000 vehicles.

The ad campaign that broke in conjunction with the 100/200 launch, but also touts the 80/90 series, focuses on "The Audi Advantage," a new ownership program that features no-charge maintenance for the first three years or 50,000 miles and a Guaranteed Resale Index that certifies trade-in value.

The print campaign included four-page spreads in *The Wall Street Journal* and *USA Today*, while a national radio campaign broke in 34 major markets. George Pizzo, Audi creative advertising manager, said no national TV campaign is planned at this time.

Audi also saw a shakeup at the corporate level. This past January, Richard L. Mugg, formerly VP-corporate marketing, Volkswagen of America, took over as VP of Audi of America. Mr. Mugg is the fourth person to hold that title in less than eighteen months.

VOLKSWAGEN AG
Postfach
D-3180 Wolfsburg 1
West Germany

Volkswagen of America
888 W. Big Beaver
P.O. Box 3951
Troy, Mich. 48007-3951
(313) 362-6000

Corporate personnel: James R. Fuller, vp-Volkswagen U.S.; Richard L. Muggs, vp-Audi of America.

Marketing personnel: Lou Marengo, dir-Volkswagen mktg; Anthony Kirton, dir-Audi mktg; William A. Gelgota Jr., mgr-Volkswagen adv; Bruce Butzier, mgr-Audi adv; Ron Dusenberry, Volkswagen natl adv mgr; Gary Grabowski, Volkswagen dealer adv mgr; George Pizzo, Audi creative adv mgr.

Brands/services by agency of record:

Volkswagens
Audis

Ad Agency: DDB Needham Worldwide, Troy, Mich.: Brian Bowler, president; Christian Von Glasow, sr vp-mgmt super, Audi; Bonnie Folster, sr vp-creative dir; Ken Campbell, vp-planning mgr, VW; Don Ward, vp-mgmt super, VW; Charlie Zollo, vp-acct super, VW (NY); Steve Swanson, Frank Couzens III, vps-acct supers, VW; Cathy Lynch, acct super, VW (NY); David Hudson, acct super, Audi; John Callahan, sr acct exec, VW; Scott Schofding, sr acct exec, Audi; Robert Finch, sr acct exec, Audi (Chicago); Robin Reihm, Russell Chick, Kevin Givens, Ron Silagy, acct execs, VW.

RANK
79

Warner Communications

New York
ADVERTISING **$ 110.4** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,404	2,848	19.5
Earnings	328	186	76.6
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	2,696	2,353	14.6
Operating income	370	312	18.5
■ *Division sales*	*1987*	*1986*	*% chg*
Filmed entertainment	1,356	1,251	8.3
Recorded music	1,531	1,139	34.4
Cable broadcast	387	326	18.8
Publishing	130	133	(1.7)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	3,932	3,150	24.8
Business pub	26	NA	NA
Magazine	1,295	973	33.1
Newsp supp	66	7	797.3
Outdoor	155	454	(65.8)
Network TV	13,287	11,599	14.6
Spot TV	23,488	12,319	90.7
Network cable	3,002	2,896	3.6
Network radio	195	368	(47.1)
Spot radio	982	1,812	(45.8)
Measured	46,428	33,579	38.3
Unmeasured	64,000	- 46,000	39.1
Total	110,428	79,579	38.8

Warner Communications firmed up its marketing power in the entertainment industry through its acquisition of a half interest in Gulf & Western's theater interests and the buyout of Lorimar Telepictures, the latter of which should add about $13 million in measured spending to Warner totals in the coming year.

Warner's total U.S. advertising grew 38% overall in 1987, largely the result of boosting advertising for 18 films to $35 million in measured spending, up 40% from the prior year when it promoted 15 films. Total advertising returned to 1985 levels when Warner still owned and heavily advertised MTV Networks.

Warner Bros., which took 13% of the U.S. gross box-office receipts in 1987 that ranked it No. 3 behind Paramount with 20% and Disney with 14%, strengthened the television side of its business with the buyout of Lorimar for $1.[illegible] billion.

Overnight it became the largest producer of television programs. Lorimar, producer of "Dallas" and "Falcon Crest," and Universal Television (MCA) at midyear led all producers with eight hours each of programming on the air. Warner Bros. Television had six and a half hours on the networks.

In first-run syndication, Lorimar Telepictures is clearly the biggest producer, with nine programs on the air—an enticement for Warner because it is an area of the business it has been slow to develop. Warner's syndication business is largely off-network with such current offerings as "Night Court," "Growing Pains" and "Head of the Class." Lorimar is just bringing into first-run "ALF" and "Valerie's People."

On the distribution side, where each company has separate units for theatrical film domestic and international sales, those units will be folded together. Lorimar's strong TV production arm should enhance Warner presence in the foreign markets which are becoming more lucrative as privatization of government-owned TV operations continues.

Under a May 1987 agreement with Walt Disney, Warner has been the overseas distributor for all Disney films, including those under its Touchstone banner. Warner previously had a distribution partnership overseas with Columbia Pictures, which it ended at the time of the agreement with Disney—a far more successful film studio than Columbia.

Domestically, it shored up its theater presence with the acquisition of 50% interest in Gulf & Western's domestic motion picture theater operation which controls more than 472 screens across the country. Early in 1987, Warner rescued from bankruptcy the Cannon Group, which operates the 425-screen Commonwealth Theaters. Part of the deal included North American distribution rights to 21 films.

During 1987, Warner's filmed entertainment division's revenues grew by 8% as operating income increased only 2% to $176 million, although the division is performing better in 1988 thanks in part to the highly-successful movie, "Beetlejuice," which through August had grossed $72.9 million in box office receipts. In the second quarter, for example, the division's earnings grew to $51.5 million, a 17.8% increase over second quarter 1987. The division accounted for 57% of Warner total earnings of $127.6 million for the quarter.

Spot and network TV drew most of the $35 million Warner Bros. spent in measured media on its films. Its biggest hit during 1987 was "Lethal Weapon" with domestic box office receipts of $65 million in 1987, according to *Variety*. Warner's "The Witches of Eastwick," was right behind at $63 million gross. "Lethal Weapon" drew $3 million in measured spending and "Witches" pulled $3.6 million, according to BAR/LNA.

Warner spent $3.7 million advertising its home video cassettes, up from only $656,000 in 1986. Entry into the Japanese market greatly contributed to revenue growth, said the company. Lorimar's troubled home video unit is being folded into Warner's much larger operation.

Warner's recorded music group, whose revenues advanced 35% for the year, did even better on a percentage basis in operating income, which climbed 42% to $214 million. While Madonna's "Who's That Girl?" movie did poorly at the box office, the singer's two album releases for Warner Bros. Records sold eight million units worldwide. Other million-selling titles included the soundtrack from "La Bamba" and George Harrison's "Cloud Nine."

Warner's cable and broadcasting division had operating income of $46.1 million, a 185% over 1986. Revenues grew 19%. Growth came from BQ Cable, a system under construction in Brooklyn and Queens, N.Y. That system's subscriber base increased when Warner Cable and Inner Unity Cable agreed to a 50/50 venture to own and operate a cable franchise in southern Queens.

It was a flat year at Warner's publishing division, consisting of Warner Books, DC Comics, "Mad" magazine and Warner Publishing Services. Revenues grew 2.3% as operating income increased 2.7%. The company spent $604,000 promoting Warner Books, up from only $84,000 in 1986. The big hit was author Sidney Sheldon's "Windmills of the Gods," which had more than four million copies in print.

During 1987, Lorimar Telepictures increased its total measured media by 14.5% to $12.6 million, largely backing movies from Lorimar Productions. None of its movies grossed enough during 1987 to rank among the top 50 in box office receipts. The company also spent $4.6 million on home video, up from $2.6 million in 1986.

WARNER COMMUNICATIONS
75 Rockefeller Plaza
New York, N.Y. 10010
(212) 484-8000

Warner Bros.
Burbank, Calif.

Marketing personnel: Sandy Reisenbach, president-worldwide adv, publicity & promo; Rob Freidman, sr vp-worldwide adv & publicity; Joel Wayne, sr vp-worldwide creative adv; Joe Hyams, sr vp-adv & special projects; John Jacobs, vp-media; Richard Kallet, vp-co op adv.

Brands/services by agency of record:

Warner Bros. films

Ad agency: Grey Advertising, New York: Alec Gerster, exec vp-media & programming svcs; James Bell, sr vp-group media dir; Joanne Wayne, vp-assoc media dir; Alfa Tate, assoc media dir, L.A.

■

Lorimar films

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles: James Spero, sr vp-media dir; Sam Randazzo, assoc media dir.

Warner Bros. Domestic
Pay-TV & Network
Feature Film Sales
Burbank, Calif.

Marketing Personnel: Eric Frankel, vp-mktg.

Brands/services by agency of record:

Print trade adv

Ad agency: Katherine Landman Inc., New York: Katherine Landman, president; Marsha Greenberg, acct exec.

Warner Bros. Television Distribution
Burbank, Calif.

Marketing personnel: Ken Fournier, vp-adv, publicity & promo.

Brands/services by agency of record:

Television distribution

(In-house): Burbank Advertising: Ken Fournier, vp-adv, publicity & promo.

Warner Home Video
Burbank, Calif.

Corporate personnel: Warren Lieberfarb, president; Edward J. Byrnes, vp-genl mgr.

Marketing personnel: Barbara O'Sullivan,

Spanish Eyes. Fabulous Figures. Affluent Readers.

In Miami, Diario Las Américas delivers it all. Diario is the one completely Spanish-language daily newspaper that's as much a part of everyday life in the Miami Hispanic Market as Cuban coffee, arroz con pollo and The Miami Sound Machine.

Diario's Spanish eyes generate figures that will open your eyes to a great media buy. The average annual family income of Diario readers is $30,318. 65% own their own homes. 94.7% of Diario reader households own one or more cars. 63.5% own two or more cars. 74.5% have major credit cards.

The average annual food expenditure of Diario reader households is $4,609. With plenty of discretionary income for liquor, cars, travel and other products and services.

The wealthiest part of an 8-billion-dollar market. Of all the Spanish-language media in the Miami Hispanic Market, Diario Las Américas is the one that reaches the heart and soul, the movers, the shakers and opinion makers of its 8-billion-dollar market.

For additional information call Enrique J. Pérez, Advertising Director, at (305) 633-3341.

Diario Las Américas

The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street, Miami, Florida 33142-5193

CWO O
Represented nationally by: CRESMER WOODWARD O'MARA & ORMSBEE, INC

De la Cocina al Comedor

Top three food marketers by category ad total

Cereal: $654,618

Kellogg Co.: 43.8% $286,576	General Mills: 24.8% $162,149	Philip Morris Cos.: 14.2%, $93,110	All other: 17.2% $112,783

Cheese: $83,838

Kraft Inc.: 47.4% $39,702	American Dairy and Nat'l Dairy: 39.1% $32,746	Sargento Cheese Co.: 3.4% $2,875	All other: 10.2% $8,514

Coffee, tea, cocoa & derivatives: $215,829

Philip Morris Cos.: 34.9% $75,237	Nestle SA: 21.5% $46,424	Procter & Gamble Co.: 20.7% $44,767	All other: 22.9% $49,402

Juices & fruit drinks: $211,658

Philip Morris Cos.: 19.7% $41,670	Coca-Cola Corp.: 12.9%, $27,286	BCI Holdings: 9.8%, $20,713	All other: 57.6% $121,990

Meat, poultry & fish: $204,379

Philip Morris Co.: 20.5% $41,952	Nat'l Live Stock & Meat Bd: 14.2%, $29,074	Sara Lee.: 9.5%, $19,393	All other: 55.8% $113,960

Prepared dinners & entrees: $202,131

Campbell Soup Co.: 16.4% $33,201	Nestle SA: 15.1% $30,481	Kraft Inc.: 11.4% $23,100	All other: 57.1% $115,349

Soup: $93,531

Campbell Soup Co.: 63.6% $59,482	Unilever NV: 16.5% $15,462	IC Industries: 14.2% $13,270	All other: 5.7% $5,317

Candy & gum: $405,927

Wm. Wrigley Jr. Co.: 25.2% $102,377	Mars Inc.: 23.5% $95,266	Warner-Lambert Co.: 14.4%, $58,600	All other: 36.9% $149,684

Soft drinks, carbonated: $276,129

PepsiCo Inc.: 34.9% $96,325	Coca-Cola Co.: 34.4% $95,000	Dr Pepper/Seven Up: 13.9%, $38,448	All other: 16.8% $46,356

Diet soft drinks, carbonated: $113,053

Coca-Cola Co.: 40.4% $45,728	PepsiCo Inc.: 35.0% $39,514	Dr Pepper/Seven Up: 17.8% $20,143	All other: 6.8%, $7,667

Pet foods: $219,522

Ralston Purina: 27.0% $59,350	Mars Inc.: 21.6% $47,316	Quaker Oats: 15.4% $33,908	All other: 36.0% $78,949

Source: All figures are measured media only, from BAR/LNA Multi Media Reports. See "Where Ad Age got its data," Page 2.
Note: Dollars are in thousands. Percentages represent the companies' share of total measured advertising in a given category according to BAR/LNA. BAR/LNA media in this chart includes magazine, newspaper supplement, outdoor, network TV, spot TV, cable TV network and network radio advertising.

vp-mktg; David Mount, vp-natl sales.
Corporate media buying: Grey Advertising, New York: Frank Pellignno, acct super.

Focus Media, Los Angeles: Gary Toby, president; Chuck Mycoff, exec vp-client svcs.
Brands/services by agency of record:
Jim Henson, Jane Fonda videos
Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles: Sheryl McPhee, acct exec.

Licensing Co. of America
New York

Corporate personnel: Joseph P. Grant, president; Robert F. Bell, exec vp-new businesses.

Marketing Personnel

Marketing personnel: Kathy Ordan, dir-adv.
Brands/services by agency of record:
Licensing
Ad agency: (In-house): Kathy Ordan, dir-adv.

Is media spending shifting?

Turn to LNA for answers.
See page 151

Warner Bros. Records
Burbank, Calif.

Marketing personnel: Lou Dennis, vp-sales; Russ Thyret, sr vp-mktg; Jim Wagner, adv dir; Adam Somers, vp-creative svcs; George Gerrity, vp-promo; John Beug, vp-creative mktg; Vic Faraci, sr vp-mktg, Nashville; Michael Kapp, president-Warner Special Products; Tony Pipitone, exec vp-Warner Special Products.
Brands/services by agency of record:
Warner records
Ad agency: (In-house): Bob Moering, dir.

Atlantic Records
New York

Corporate personnel: David Glew, exec vp-genl mgr.
Marketing personnel: Mark Schulman, vp-natl creative mktg svcs; Larry Yasgar, vp-singles sales; Sylvia Rhone, dir, genl mgr-merch.

Elektra/Asylum/Nonesuch Records
New York

Marketing personnel: Hale Milgrim, sr vp-mktg; David Urso, sr vp-promo; Primus Robinson, vp-black music; Kenny Hamlin, vp-sales; Robin Sloane, vp-video production.
Brands/services by agency of record:
Atlantic records
Electra/Asylum/Nonesuch records
Ad agency: (In-house): Marsha Green, dir-adv.

WEA Corp.
Burbank, Calif.

Marketing personnel: George Rossi, exec vp-mktg; Russ Bach, exec vp-mktg devel; Fran Allberte, vp-natl sales, audio; Skid Weiss, dir-adv; Ornetta Barber, dir-mktg, black music; Cory Connery, natl WEA video prods mgr; Robert Moering, natl dir-mktg; Jody Raithel, dir-prod devel; Clare Conlin, asst dir-adv.
Brands/services by agency of record:
WEA Corp.
Ad agency: (In-house): Skid Weiss, dir-adv; Clare Conlin, asst dir-adv.

Warner Books
New York

Corporate personnel: Larry Kirschbaum, president; Nansey Neiman, vp-publisher, Jerry Butler, vp-genl mgr.
Marketing personnel: Ling Lukas, vp-mktg; Marcy Goot, natl trade sales dir; Ernie Petrillo, distribution sales mgr.
Brands/services by agency of record:
Warner books
Ad agency: (In-house): Publishers Advertising Associates: Leslie Schnurr, dir-adv & promo.

DC Comics
New York

Corporate Personnel

Corporate personnel: Jeanette Kahn, president-publisher; Paul Levitz, exec vp.
Marketing personnel: Bruce Bristow, mktg dir; Bernie Slotnik, print adv rep.
Brands/services by agency of record:
DC comics
Ad agency: (In-house): Paul Levitz, exec vp.

RANK
15

Warner-Lambert Co.

Morris Plains, N.J.
ADVERTISING: **$558.1** MILLION

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	3,485	3,103	12.3
Earnings	296	310	(4.4)
■ *U.S.*	*1987*	*1986*	*% chg*
Sales	1,864	1,747	6.7
Operating income	526	531	(0.9)
■ *Division sales*	*1987*	*1986*	*% chg*
Health care	2,288	2,041	12.1
Gum & mints	777	678	14.6
Other products	420	384	9.4

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Newspaper	1,497	850	76.2
Business pub	2,049	3,405	(39.8)
Magazine	14,227	14,805	(3.9)
Newsp supp	1,049	977	7.4
Outdoor	1,005	1	NA
■ *Media*	*1987*	*1986*	*% chg*
Network TV	102,472	103,455	(1.0)
Spot TV	41,682	39,259	6.2
Network cable	2,123	4,029	(47.3)
Network radio	24,614	22,707	8.4
Spot radio	2,397	1,826	31.3
Measured	193,115	191,314	0.9
Unmeasured	365,000	362,000	0.8
Total	558,115	553,314	0.9

In late 1987, Warner-Lambert Co.'s stock jumped five points when a major study revealed its anti-cholesterol ethical drug, Lopid, significantly reduces the risk of heart attacks by increasing high-density lipids that aid in unclogging arteries.

Lopid, facing competition only from Merck & Co.'s Mevacor which was found in the same study to be effective in reducing low-density cholesterol, is expected to jump from $85 million this year to $350 million by 1991, said analysts.

While product development characterized the pharmaceutical side, W-L pushed growth on the consumer side through acquisition. Its American Chicle unit in February 1988 acquired some of RJR Nabisco Inc.'s confectionery brands, including Junior Mints, Charleston Chew and Sugar Daddy, which had total sales of $57 million in 1987. Then in July, Chicle bought Societe Nouvelle's Pastilles de Vichy, a subsidiary of France's Perrier Group, and producer of a mint called Pastilles Vichy.

In the process, W-L's U.S. ad spending remained virtually unchanged from 1986 levels as the company poured money into new product research and development, which was up 22% to $230 million. These expenses helped influence a drop in net profits of 4.2% on a 12% increase in gross sales, although the prior-year period included a gain from the sale of W-L's Health Technologies business.

Net income has improved in the first six months of 1988 by 14% to $175 million on record sales of $1.9 billion, up 13%. Good growth has been recorded by each of its business segments.

In particular, product performances this year have been strong at worldwide gum and mint lines, which saw sales of $446 million in the first six months of 1988. In the same period, sales of prescription pharmaceuticals were $584 million; nonprescription pharmaceuticals were $611 million.

The market for anti-cholesterol drugs is booming. At only $500 million today with few products, the market is expected to mature in the 1990s into a $5 billion annual market, analysts predict.

W-L has far more in the works than Lopid, which still must receive FDA approval for anti-cholesterol treatment.

Squibb Corp.'s Pravastatin, an anti-cholesterol drug, also is seeking FDA approval. Another W-L product, Cholybar, a candy-flavored medicine designed to reduce blood cholesterol levels, also is before the regulatory body. Cholybar's development was a collaboration of the consumer product and prescription drug divisions, the company said.

In a related move, W-L launched Promega in 1987, a fish-oil vitamin supplement which also reduces cholesterol levels. It received $6 million in measured ad support during the year, half on network TV. W-L's market share in this new category is estimated at 38%, with Squibb Corp.'s Proto-Chol second with 22%. Other competitors in this emerging market include Carter-Wallace and Thompson Medical Co. Industry sales were expected to triple to $100 million in 1987.

The American Chicle Group, W-L's gum and mint operation, in 1987 began testing Sugar-free Dentyne in the western U.S. It has been marketed in Canada for the past year. The new gum, containing both sorbitol and saccharin, comes in several flavors, including cinnamon and cool mint.

Chicle also began marketing Assorted Fruit Flavor Rolaids in July 1988. In 1987, it introduced Certs Mini-Mints, which will compete with leader Ferrero USA's Tic Tacs in the $700 million mini-mint market. Also introduced were chewy candies called Candilicious and Rascals, and Sticklets gum.

Trident, the leader in the $486 million sugarless gum market with a 16.5% market share in 1987, next to Listerine was the second-most advertised W-L product with $18.6 million in measured advertising, down 2.6%. W-L ads focus on cavity prevention and run mostly on network and spot TV. W-L also raised its outdoor budget from $1,000 to $1 million in the year, all of which supported Trident. Competitors are RJR Nabisco's Care-Free, with 12.6% of the sugarless gum market, and Wrigley's Extra, with 11.1%.

Sticklets Gum received $8.5 million in measured support, down 11.5%. Sales were only $13 million for the new product, which faces a long, uphill battle with industry giants, such as Wrigley's Gum and RJR Nabisco's Bubble Yum.

Dentyne Gum got $10.2 million in measured spending, up 29%. Dentyne's sales stood at $84 million, up 11%, said analyst Jonathan Gelles at Wertheim Schroder, New York.

W-L spent the largest portion of its ad dollars on Listermint and Listerine Antiseptic mouthwashes—$25.6 million in measured media, up 4% from 1986. Listerine received a major boost from the American Dental Association's for claims that it fights gingivitis. Listerine has a leading 27% share in the $600 million market for mouthwash, followed by Procter & Gamble's Scope at 25% and Listermint with 7%, according to industry sources.

Sales were up 12% for Benadryl allergy products, which got a 38% boost in measured media to $16.5 million, mostly in network and spot TV. Benadryl's leading market share climbed four points to 40%, where it competes with Schering-Plough's Chlor-Trimeton Decongestant tablets which holds a 30% share in the $125 million (manufacturers dollars) allergy-relief market, according to industry analysts. An additional $9.5 million was spent promoting Benylin cough syrup, up 9.2%. W-L also recently developed Benadryl-Plus, a multi-symptom reliever, for the $1.3 billion cough/cold remedy market.

The Sinutab sinus remedy line got $9.25 million in measured media, mostly network TV, up 18%. Sinutab posted $53 million in 1987 sales, up 10%, said Mr. Gelles.

For the Certs line, W-L spent $13.5 million, up 38%, just about all on network and spot TV. Certs brought $115 million in 1987 sales, up 7% over 1986.

Among products in W-L's "other" category, Schick shaving products received $8.8 million in ad support, up 28%, three-fours of it on network TV. Schick is a distant second in the market dominated by Gillette with a 65% share.

Warner-Chilcott, W-L's new generic pharmaceutical division, had its first full year of operation in 1987. The division, which by year-end marketed 115 products, will add about 45 more to the total in 1988.

W-L made no agency changes in 1987, but added one for its Parke-Davis Group—Rolf Werner Rosenthal Inc., New York, the health-care division of the Ogilvy Group. There were three changes in marketing personnel. J.T. Roberts, VP-sales for Parke-Davis, and Harry F. Oberkfell, VP-marketing for Parke-Davis, traded jobs. Also, L.R. Moran was made VP-product management for the Consumer Health Products Group, replacing S. Morgan Morton.

WARNER-LAMBERT CO.
201 Tabor Rd.
Morris Plains, N.J. 07950
(201) 540-2000

Corporate personnel: Joseph D. Williams, chmn-ceo; Melvin R. Goodes, president-coo; Robert J. Dircks, sr vp-cfo; Donald E. O'Neill, exec vp, president-intl operations

American Chicle Group
Morris Plains, N.J.

Corporate personnel: John Walsh, president.

Marketing personnel: Robert A. Clouston, vp-prod mgmt; Theodore G. Schable, vp-sales.

Brands/services by agency of record:

Trident gum

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.—Matt Seymour, acct group super.

Consumer Health Products Group
Morris Plains, N.J.

Corporate personnel: Raymond P. LeFebvre, president.

Marketing personnel: L.R. Moran, vp-prod mgmt; J.W. Masse, vp-sales.

Brands/srvices by agency of record:

Listerine
Listermint w/fluoride
Efferdent
Lubriderm
Sinutab
Rolaids
e.p.t. Plus

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.: Matt Seymour, acct group super.

■

Benylin
Benadryl-capsules & elixir
Benadryl-cream & spray
Tucks
Caladryl
Myadec

Ad agency: Sudler & Hennessey Consumer Group, New York: Arthur M. Rosen, exec vp-mng dir; Lisa Blumenstein, John Draper, vps-acct supers.

■

Anusol
Chewels
Clorets
Halls cough tablets
Schick shaving prods
Personal Touch women's razors
Bubblicious gum
Sticklets

Ad agency: J. Walter Thompson USA, New York: Jack Morrissey, sr vp-mgmt dir; Jeremy Birkbeck, sr vp-acct dir; Adele Finaly, vp-acct dir; Matthew Asinari, vp-acct super; Peter Leinroth, sr acct super.

■

Certs
Certs Mini-Mints
Dentyne
Rascals
Candilicious
Mediquell
Remegel

Ad agency: Young & Rubicam, New York: William Thompson, exec vp-group dir; Arlene Bricknew, sr vp-mgmt super.

Parke-Davis Group
Morris Plains, N.J.

Corporate personnel: Sam J. Maugeri, president.

Marketing personnel: Harry F. Oberkfell, vp-mktg; J.T. Roberts, vp-sales; Wayne L. Dickerson, M.A. Hoffman, Anthony Bonelli, group prod dirs.

Brands/services by agency of record:

Ethical pharmaceuticals

Ad agencies: Sudler & Hennessey (medical group), New York: Donald Masterson, exec vp-mgmt super; John Rinaldi, Joseph Laborsky, sr vps-acct supers; Richard Hulbert, Pam Goodman, acct supers. Rolf Werner Rosenthal Inc., New York: Jay Vigatov, acct super.

Warner Chilcott Laboratories
Morris Plains, N.J.

Corporate personnel: Kenneth N. Larsen, president.

Marketing personnel: A. Dominick Musacchio, dir-mktg; G.B. Cavic, dir-sales.

Brands/services by agency of record:

Perscription pharmaceuticals

Ad agency: Sudler & Hennessey (medical group), New York: Donald Masterson, exec vp-mgmt super; Richard Hulbert, acct exec; Carol Gorden, media super.

RANK
81

Wendy's International

Dublin, Ohio
ADVERTISING: **$ 107.6** MILLION

Now, while everyone else is sending mail that looks mass-produced, you can send mass-produced mail that looks personal, gets opened ... and gets read.

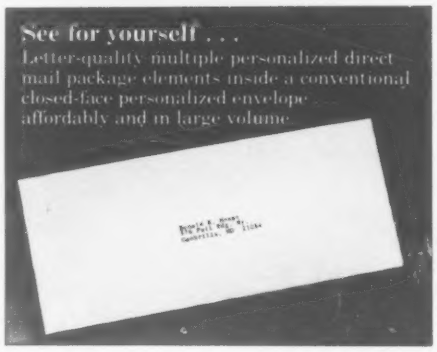
Introducing Opti-Scan: A breakthrough production technology that lets you personalize multiple direct mail package elements and insert them into a conventional closed-face personalized outer envelope.

It gives you the look and feel of an individually typewritten letter.
Opti-Scan uses advanced imaging technology to personalize multiple package elements, and then goes one step farther: It uses state-of-the-art lasers to optically read and match your personalized mailing components and insert them into a conventional closed-face personalized outer envelope. The result: a package that looks and feels as though it has been typed by your secretary.

It lets you meet your volume requirements—from as little as 10,000 to over 1,000,000 pieces per day.
Throw away the limitations of the past. You'll no longer have to settle for either a lower-quality product or a smaller-quantity mailing, because Opti-Scan provides both: the absolute highest quality, at production volumes that can meet virtually every direct marketer's need.

It's fast and it's accurate.
Opti-Scan personalizes, matches and inserts your package elements at a rate that is up to 10 times faster than any other technology in its category. And its advanced optical reader is far more accurate than the hand-match and semi-automated matching technologies previously available.

It's the single most affordable way to personalize multiple direct mail package components and insert them into a conventional closed-face outer envelope.
Here at last is an affordable way to create truly personal-looking direct mail that can break through today's mailbox clutter. And it is efficient to use no matter how small or large your mailing may be. That means flexibility to creatively do what you need to do to get your mailings opened and read in today's competitive environment.



See for yourself . . .
Letter-quality multiple personalized direct mail package elements inside a conventional closed-face personalized envelope affordably and in large volume

It's available only from LaSalle.
LaSalle has been serving the production and lettershop needs of the country's leading direct marketers for more than 40 years, providing responsive, personal service at an affordable price.

Interested in finding out more about Opti-Scan?
Mail the coupon below to receive further information and a FREE sample package. Or call Daniel Solomon at 1-800-877-0700. (In New York call 212-597-7300)

LaSalle Industries Inc.
815 Hutchinson River Parkway
New York, NY 10465
(212) 597-7300

☐ **YES!** I want to know more about Opti-Scan, the practical, cost-efficient way to create personal-looking direct mail packages that break through the clutter. Please send me a sample package and information.

☐ I'd like to see Opti-Scan in action. Call me to arrange a tour of your facility.

Name ______
Title ______
Company ______
Address ______
City ______ State ______ Zip ______
( ) Phone ______

Mail to:
LaSalle Industries Inc.
Attention: Daniel Solomon
President, Direct Marketing
815 Hutchinson River Parkway
New York, NY 10465

AE-39

Sales & earnings

($ in millions)

■ *Worldwide*	*1987*	*1986*	*% chg*
Sales	1,059	1,140	(7.1)
Earnings	5	(5)	(191.5)
■ ***Division sales***	***1987***	***1986***	***% chg***
Systemwide sales	2,869	2,747	4.4
Retail sales	987	1,037	(4.8)
Royalties	64	66	(3.6)
Other	8	37	(79.7)

U.S. advertising by media

($ in thousands)

■ *Media*	*1987*	*1986*	*% chg*
Magazine	483	560	(13.8)
Outdoor	2,026	1,294	56.6
Network TV	46,772	41,668	12.3
Spot TV	31,706	37,913	(16.4)
Network cable	143	587	(75.6)
Spot radio	469	391	19.9
Measured	81,599	82,412	(1.0)
Unmeasured	26,000	26,000	0.0
Total	107,599	108,412	(0.7)

Wendy's International is continuing the slow and sometimes painful process of rebuilding what was once one of the fastest-growing global restaurant chains.

After record growth in 1984 and 1985, Wendy's lost its momentum. Then in 1986, sales grew only 2% systemwide and only 0.5% for company-owned stores as the company reported a net loss of $5 million, compared with a gain of $76 million in 1985.

Suddenly, Wendy's went from Wall Street's darling to a target of criticism from stock analysts, franchisees, shareholders and the business press, all of whom asked "What went wrong?"

Wendy's management responded that the real question was what needed to be righted and set about to turn around the chain's slumping fortunes. Throughout 1987 and into 1988, the company has pursued new strategies aimed at regaining lost momentum.

Those strategies have included a major structural reorganization, menu innovations and new marketing programs. The strategies have begun to pay off. Systemwide sales (including both company-owned and franchised restaurants) rose 4.4% to $2.87 billion. That gave Wendy's approximately a 5% share of the $56 billion quick-service restaurant industry.

However, total revenues for the company were down 7% due to declines in company-owned restaurant sales (down 4.7% to $987,071), franchise royalties (down 3.6% to $64 million) and "other revenues" (down 80% to $7.5 million). Those declines reflect falling sales that occurred during the first half of the year. Sales improved during the second half of 1987.

A priority for Wendy's management during 1987 was to slow what had been a dramatic decline in per-store sales, an important measurement of a chain's financial health.

The average sales for company-operated stores did improve, increasing 2.7% to $786,000 in 1987. But that still left the average below the $850,000 average from 1985. Average sales for franchised restaurants continued to slide, declining 1.7% to $721,000.

That decline in franchised-store sales led to a decrease in some local advertising expenditures, since a percentage of sales funds those efforts.

Wendy's spending on spot TV dropped to $31.7 million in 1987 from $37.9 million in 1986. Network TV spending increased, however, up 12% to $46.8 million in 1987 from $41.7 million in 1986, according to BAR/LNA.

Wendy's said it and its franchisees spent a total of $165 million on advertising and marketing in 1987, compared with $140 million in 1986 reported in last year's Leading National Advertisers issue. Wendy's media spending declined in 1986 with total measured spending of $83.7 million. That was down 5% from the previous year.

An estimated $155 million of that total was spent in the U.S. (vs. $133 million in 1986). The remainder was spent by Wendy's foreign operations, which include 104 units in Canada plus 130 other company-owned and franchised restaurants outside the U.S.

While total measured media advertising spending for Wendy's fell to $81.6 million in 1987 from $82.4 million, the company greatly increased its unmeasured marketing spending.

Non-media spending was an estimated $73.4 million in 1987, compared with $49.3 million in 1986.

AA estimates total U.S. ad spending at $107.6 for 1987, down 0.7% from 1986.

Seeking to broaden its customer base, Wendy's has increased emphasis on a variety of promotional efforts. Chief among them have been its marketing programs targeted to children.

The chain has improved the quality and value of the premiums included in its Kids Meal packs (such as Hasbro's Potato Head Kids) and increased the frequency of such promotions. In 1988, Wendy's offered a Kids Meal with premiums tied to the Lucas film motion picture, "Willow."

It also has encouraged local markets to develop promotions. In September 1988, for example, the Chicago co-op began offering Chicago Bears calendars as part of its first ever locally generated in-store promotion.

One of Wendy's turnaround strategies has been to refocus its media advertising more narrowly on its core business: hamburgers.

The humorous "Hamburger A" campaign from national agency Backer Spielvogel Bates, New York, has run continuously since October 1987.

Wendy's also decided to work through only a single national agency. It ended its relationships with Lockhart & Pettus, New York, which had produced black consumer advertising, and Mendoza, Dillon & Asociados, Newport Beach, Calif., its Hispanic agency. Some local co-ops continue to air Spanish-language versions of radio commercials.

Wendy's major menu move was a departure from the hamburger focus. In 1987 the chain introduced SuperBar, an all-you-can-eat hot and cold buffet featuring pasta, Mexican foods and an expanded salad bar. SuperBar was installed in 800 company and 500 franchised restaurants-out of nearly 3,600 total U.S. units-by the end of 1987.

For 1988, the company set a capital expenditures budget of $40 million, of which $16 million was directed to additional SuperBar construction.

The SuperBar is a key element in Wendy's 1988 business plan. The company intends to use the buffet to expand its customer base (by attracting more family and dinner business) and to improve consumers' price/value perception of its menu.

Another goal is to increase business through its pick-up windows. To that end, Wendy's this year has introduced the Express Meal, a standardized hamburger meal promised to be ready within 30 seconds. TV advertising has been promoting the Express Meal.

Other elements in its 1988 plan include accelerated new product research and development. Items in test include a Bacon Swiss and Philly Swiss hamburger, and the chain has used hot dogs as a limited-time promotional menu item.

The goal is to improve restaurant operations throughout its system of stores in order to improve per-store sales and profitability.

In 1987, the company reorganized and decentralized its corporate organization. More than 400 corporate positions were eliminated while the number of franchise

CPM v

CPMs are useful. They measure an important dimension—cost efficiency. But they don't begin to measure what really counts—the return on your media investment—its ROI. And that's where Sunset really shines.

Obviously, we can't predict the return on your investment in Sunset Magazine—there are too many variables—but we can predict that it will be better than in any other magazine.

That's the only reason 2,000+ advertisers invest in Sunset year after year (some for 80 years!). They've learned from experience.

Specifically, they've learned that Sunset—and only Sunset—offers these ROI-building attributes:

READERS WHO SPEND MORE

Four million Westerners who spend twice as much on most upscale products as the average American elsewhere.

EDITORIAL THAT ENCOURAGES SPENDING

Sunset is written for activists who love to spend their money traveling, gardening, remodeling, cooking . . . and look to Sunset to guide them.

area directors was increased. Decision-making responsibility, including marketing planning, was shifted more heavily to regional and local management and away from the corporate level.

WENDY'S INTERNATIONAL
P.O. Box 256
Dublin, Ohio 43017
(614) 764-3100

Marketing personnel: Charles Rath, exec vp-mktg; Bruce M. Ley, vp-corp mktg; Donald F. Calhoon, vp-field mktg; Dennis Lynch, vp-corp comm; Thomas Heskamp, dir-community mktg; Judy Donovan, mgr—WNAP; Julie Skoulis, mgr-adv.

Brands/services by agency of record:

Wendy's

Ad agency: Backer Spielvogel Bates, New York: Randolph C. Lindell, sr vp-dir acct svcs.

■

Sales promo

Ad agency: Impact, Chicago: Tom Smart, acct dir.

RANK
77

Wm. Wrigley Jr. Co.

Chicago
ADVERTISING: **$ 112.5** MILLION

Sales & earnings

($ in millions)

■ ***Worldwide***	***1987***	***1986***	***% chg***
Sales	781	699	11.7
Earnings	70	54	30.3
■ ***U.S.***	***1987***	***1986***	***% chg***
Sales	528	493	7.1
Operating income	81	72	12.7

U.S. advertising by media

($ in thousands)

■ ***Media***	***1987***	***1986***	***% chg***
Business pub	261	34	675.1
Magazine	4,980	4,147	20.1
Outdoor	839	0	NA
Network TV	51,672	52,759	(2.1)
Spot TV	29,977	22,527	33.1
Network cable	6,680	5,677	17.7
Network radio	8,231	2,578	219.3
Spot radio	822	462	78.0
Measured	103,462	88,183	17.3
Unmeasured	9,000	8,000	12.5
Total	112,462	96,183	16.9

In April 1987, Wm. Wrigley Jr. Co. surprised the chewing gum industry by offering a five-stick pack for 25¢, undercutting competitors's even-stick, 35¢-packs—the standard since 1972.

At the end of 1987, Wrigley again surprised the industry by showing that its gamble had paid off. Wrigley, the world's largest gum marketer, reported global net income was up 30% and sales had increased by 30%. Heavy international unit sales (up 9%, compared with only a 2% increase in unit sales in the U.S.) and favorable foreign currency rates helped boost total sales.

But Wrigley's pricing gambit and other elements of a more aggressive marketing strategy also proved to be effective. At year-end, Wrigley's approximate wholesale share of the domestic chewing gum market was 48%, compared with 46.5% at the end of 1986.

Wrigley's so-called Value Pricing Program repackaged several of its top brands in five-stick packs: Doublemint (the top-selling gum in the world), Wrigley's Spearmint, Juicy Fruit and Big Red.

Chairman William Wrigley said research showed that unit sales of Wrigley's established brands would increase with the five-stick packs and the packs could bring new customers to the chewing gum category attracted by price. The company claims the five-pack helped Big Red pass Warner-Lambert's Dentyne to become the top-selling cinnamon-flavored gum.

Wrigley long has had a reputation for being extremely cautious in its marketing due to its reluctance to change advertising messages. But it has not been reluctant to increase spending for that advertising. The company's total spending on measured media jumped 17% to $103.5 million in 1987, after rising 18% in 1986.

Media spending in 1988 appears to be rising at a comparable or faster rate. The largest increase in 1987 was for top brand Doublemint. Wrigley spent $29.1 million behind it, up 25%. Beginning in January 1988, Wrigley launched a major outdoor campaign for Doublemint involving its heaviest use ever of that medium. More than 4,000 boards or poster went up in 75 markets promoting the five-stick pack and carrying the long-running "Double your pleasure" message.

Wrigley's Spearmint gum got $23.8 million in spending, up 3%. Spearmint is getting special emphasis in Wrigley's 1988 marketing plan. In February, it launched a new campaign for the brand anchored by a 60-second commercial. It was Wrigley's first use of a :60 since the August 1984 introduction of Extra sugarless gum. That 60-second commercial-airing on network, spot and cable TV-also was a creative departure for Wrigley. It involves a young man whose personal computer comes alive and promotes Spearmint's "Pure chewing satisfaction." While that would not be considered a breakthrough creative idea for most other marketers, its lack of reliance on a sung jingle was a major departure for Wrigley advertising.

Wrigley's Extra sugarfree gum, which was backed by $19.9 million in media spending in 1987, also is getting additional attention in 1988. New TV commercials were added during the second quarter. The cinnamon and wintergreen flavors introduced this year are being spotlighted in a major print campaign. Heavy couponing for Extra is planned for this year's third quarter.

Helping boost Big Red to the No. 1 spot in the cinnamon category was an increase in media spending to $9.7 million in 1987, up nearly 30%.

The largest percentage increase in media spending went to Freedent, a gum designed not to stick to dental work. In 1986, Wrigley cut Freedent's budget to $2.6 million from $4 million the previous year. In 1987, media spending on Freedent jumped to $6.6 million, or 154%.

Juicy Fruit brand continued with the ad theme, "The taste that's gonna move ya," for the fifth consecutive year, as media spending rose 5% to $12.2 million.

Wrigley's Amurol Products Co. division continues to have problems and to receive modest advertising support. Amurol's Hubba Bubba soft chunk bubble gum has declined in sales each of the past two years. Hoping to energize sales of the specialty and novelty brands Amurol markets (including Big League Chew, Tidal Wave, Rambo and others), Wrigley in February 1988 moved the Amurol assignment to Leo Burnett USA from DDB Needham.

WM. WRIGLEY JR. CO.
410 N. Michigan Ave.
Chicago, Ill. 60611

(312) 644-2121

Corporate personnel: William Wrigley, president-ceo.

Marketing personnel: R. Darrell Ewers, exec vp; Ronald O. Cox, group vp-mktg; Anthony Cipollina, vp-sales; Susan Sherry, mktg dir.

Brands/services by agency of record:

Wrigley brands

Ad agency: BBDO, Chicago: Eric Harkna, president-ceo; Tonise Hayden, sr vp-mgmt super.

■

Amurol brands

Ad agency: Leo Burnett USA, Chicago: John Kovas, acct dir; Catherine Guthrie, acct super.

EDITORIAL THAT ENCOURAGES RE-READING

Some 85 "how-to" articles per issue address readers' interests and move them to act.

That's why these activist readers typically read every Sunset page *twice*.

SELL-IN HELP

Only Sunset offers marketing specialists who create custom merchandising programs—and work closely with advertisers' Western salespeople to open new accounts and expand distribution.

RETAIL SUPPORT

Western retailers, who know better than anyone what moves goods and services off their shelves, invariably vote Sunset tops.

In part that's because we know them better than anyone else. We never stop listening to them… and working with them on behalf of our advertisers.

WESTERN MARKET KNOW-HOW

We probably know more about Westerners than anyone anywhere, and we're delighted to share what we know with our advertisers.

We also help them field custom surveys, and we arrange for them to meet with our editors to discuss specific problems and opportunities.

For more information on how you can use Sunset to boost your media dollars' ROI, call your Sunset rep, or our Ad Sales VP, Jim Baker at (415) 321-3600.

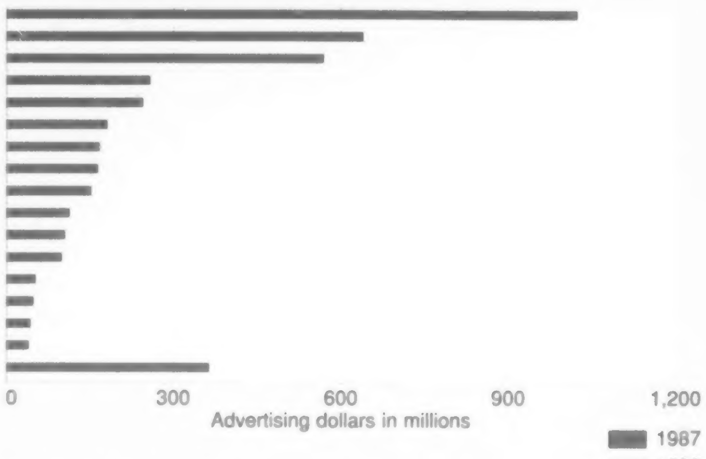
Sunset
90
Looking Back,
Looking Ahead

Many Happy Returns

U.S. auto advertising per unit sold

U.S. automotive advertising by company

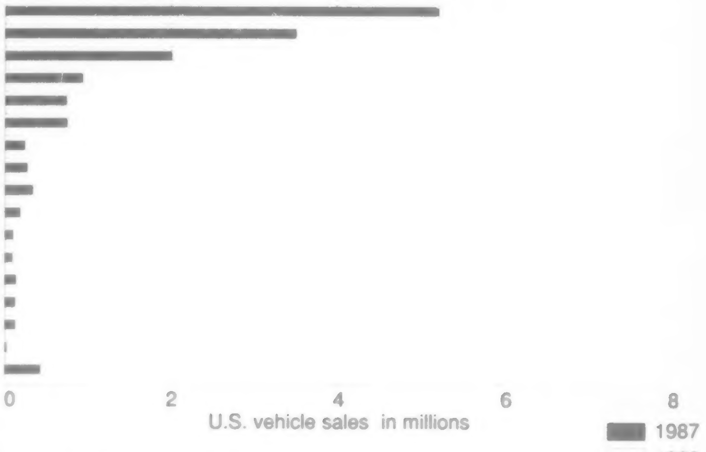
Company	**U.S. advertising** **1987**	**1986**	**% chg**
General Motors Corp.	$1,024,852	$838,912	22.2
Ford Motor Co.	639,510	650,875	(1.7)
Chrysler Corp.	568,722	503,571	12.9
Toyota Motor Sales	257,738	259,761	(0.8)
Honda Motor Co.	245,365	205,307	19.5
Nissan Motor Co.	181,438	180,042	0.8
Volkswagen AG	167,257	176,353	(5.2)
Hyundai AG	164,336	93,673	75.4
Mazda Motor Co.	151,884	156,524	(3.0)
Subaru of America	113,233	58,534	93.4
Daimler-Benz AG	105,018	79,697	31.8
BMW AG	99,456	61,740	61.1
Isuzu Ltd.	51,815	52,166	(0.7)
Mitsubishi Motors	48,149	33,908	42.0
Volvo AB	43,184	41,753	3.4
Jaguar Cars Ltd.	40,022	29,776	34.4
All other	363,634	200,518	81.3
TOTAL	4,265,613	3,623,110	17.7



Total unit sales in the U.S.

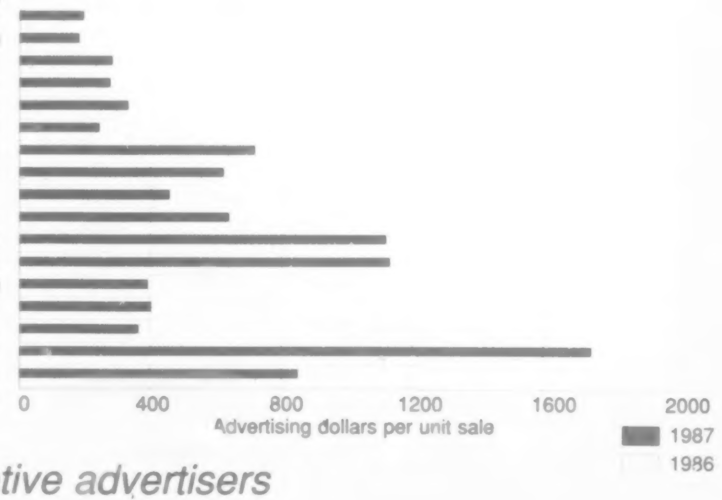
(including trucks)

Company	**U.S. unit sales** **1987**	**1986**	**% chg**
General Motors Corp.	5,237,613	6,285,802	(16.7)
Ford Motor Co.	3,514,059	3,462,260	1.5
Chrysler Corp.	2,012,950	2,162,669	(6.9)
Toyota Motor Sales	932,445	1,025,345	(9.1)
Honda Motor Co.	738,306	693,515	6.5
Nissan Motor Co.	743,899	771,026	(3.5)
Volkswagen AG	233,027	277,107	(15.9)
Hyundai Group	263,610	168,822	56.1
Mazda Motor Co.	331,724	379,803	(12.7)
Subaru of America	177,138	183,272	(3.3)
Daimler-Benz AG	93,746	103,330	(9.3)
BMW AG	87,839	96,759	(9.2)
Isuzu Ltd.	132,243	132,584	(0.3)
Mitsubishi Motors	119,816	84,421	41.9
Volvo AB	119,052	126,087	(5.6)
Jaguar Cars Ltd.	22,919	24,464	(6.3)
All other	427,856	352,147	21.5
TOTAL	15,188,242	16,329,413	(7.0)



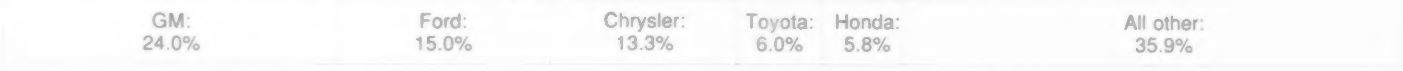
Advertising per vehicle sold

Company	**Advertising dollars per U.S. unit sale** **1987**	**1986**	**% chg**
General Motors Corp.	$195.67	$133.46	46.6
Ford Motor Co.	181.99	187.99	(3.2)
Chrysler Corp.	282.53	232.85	21.3
Toyota Motor Sales	276.41	253.34	9.1
Honda Motor Co.	332.34	296.04	12.3
Nissan Motor Co.	243.90	233.51	4.5
Volkswagen AG	717.76	636.41	12.8
Hyundai Group	623.41	554.86	12.4
Mazda Motor Co.	457.86	412.12	11.1
Subaru of America	639.24	319.38	100.1
Daimler-Benz AG	1,120.24	771.29	45.2
BMW AG	1,132.25	638.08	77.4
Isuzu Ltd.	391.82	393.46	(0.4)
Mitsubishi Motors	401.86	401.65	0.1
Volvo AB	362.73	331.14	9.5
Jaguar Cars Ltd.	1,746.24	1,217.14	43.5
All other	849.90	569.41	49.3
TOTAL	280.85	221.88	26.6

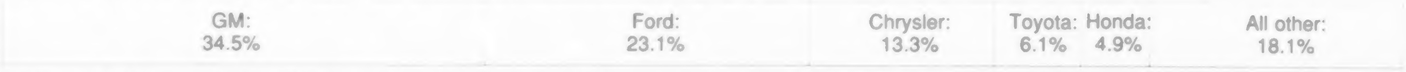


Top five automotive advertisers

Top five auto marketers' advertising as percent of industry total passenger car and truck spending: $4.3 billion.



Top five's total U.S. vehicle sales as percent of industry total: 15.2 million cars and trucks.



Sources: U.S. ad spending figures are ADVERTISING AGE estimates. Figures include both measured and unmeasured media. See "Where Ad Age got its data," Page 2. Vehicle sales figures are from *Automotive News*, 1988 Market Data Issue, another Crain Communications, Inc. publication. Vehicle unit sales include domestic and foreign cars, trucks and buses sold in the U.S. **Note:** U.S. advertising expenditures are in thousands unless otherwise noted.

Top 100 advertisers by primary business

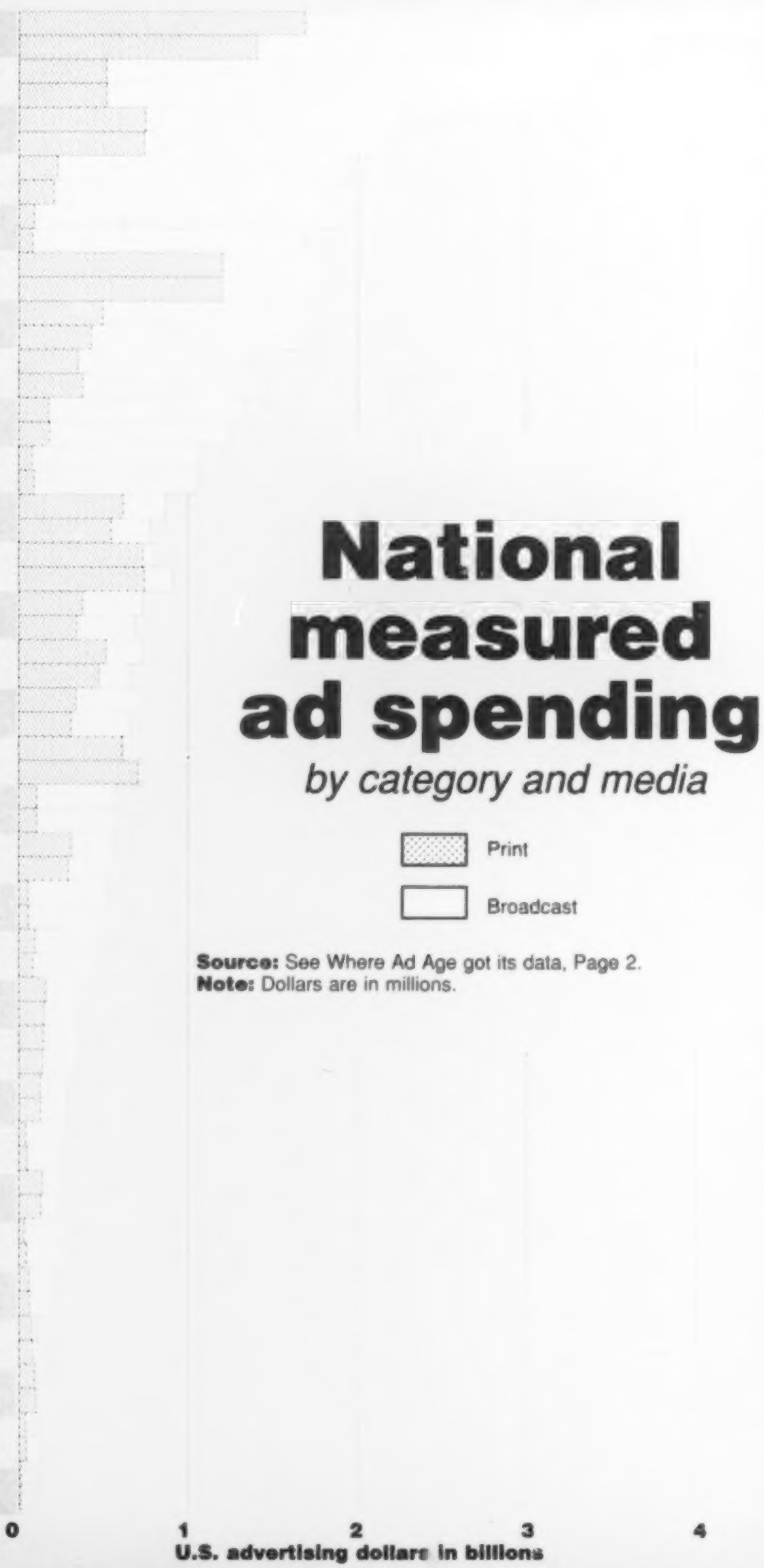
Primary business	Rank	Advertiser	U.S. ad spending		U.S. sales		Sales/$1 adv.		1987 worldwide		Return on sales
			1987	1986	1987	1986	1987	1986	Sales	Earnings	
AIRLINES	55	**AMR Corp.**	$152,609	$131,098	NA	NA	NA	NA	$7,197,974	$198,407	2.8
	80	**Delta Air Lines**	108,636	105,056	NA	NA	NA	NA	6,915,000	306,800	4.4
	68	**Texas Air Corp.**	124,343	132,576	NA	NA	NA	NA	8,474,967	(466,146)	(5.5)
	64	**UAL Corp.**	137,790	137,047	6,932,790	6,145,141	50.31	44.84	8,292,790	335,117	4.0
AUTOMOTIVE	88	BMW AG	99,456	61,740	NA	NA	NA	NA	10,502,400	202,388	1.9
	14	Chrysler Corp.	568,722	503,571	23,685,400	20,489,000	41.65	40.69	26,276,500	1,289,700	4.9
	84	Daimler-Benz AG	105,018	79,697	NA	NA	NA	NA	37,540,300	99,100	0.3
	9	Ford Motor Co.	639,510	650,875	55,302,000	50,034,000	86.48	76.87	71,643,000	4,625,000	6.5
	3	General Motors Corp.	1,024,852	838,912	86,421,900	91,343,100	84.33	108.88	101,781,900	3,550,900	3.5
	37	Honda Motor Co.	245,365	205,307	NA	NA	NA	NA	12,677,000	453,000	3.6
	52	Hyundai Group	164,336	93,673	NA	NA	NA	NA	3,500,000	75,000	2.1
	56	Mazda Motor Corp.	151,884	156,524	NA	NA	NA	NA	11,527,000	32,000	0.3
	47	Nissan Motor Co.	181,438	180,042	NA	NA	NA	NA	33,950,000	516,000	1.5
	76	Subaru of America	113,233	58,534	NA	NA	NA	NA	1,785,038	NA	NA
	33	Toyota Motor Corp.	257,738	259,761	NA	NA	NA	NA	50,000,000	1,779,000	3.6
	49	Volkswagen AG	167,257	176,353	3,213,000	4,943,000	19.21	28.03	23,867,000	273,000	1.1
CHEMICALS & PETROLEUM	34	**American Cyanamid**	250,376	229,181	2,618,000	2,536,000	10.46	11.07	4,166,000	276,000	6.6
	65	**Dow Chemical Co.**	135,689	138,931	5,946,000	5,165,000	43.82	37.18	13,377,000	1,240,000	9.3
	59	**E.I. du Pont de Nemours & Co.**	149,749	110,681	20,796,000	18,758,000	138.87	169.48	30,468,000	1,786,000	5.9
	50	**Mobil Corp.**	166,285	167,874	22,350,000	19,250,000	134.41	114.67	56,716,000	1,258,000	2.2
	99	**Monsanto Co.**	84,689	88,563	4,883,000	4,638,000	57.56	52.37	7,639,000	436,000	5.7
ELECTRONIC EQUIPMENT	7	Eastman Kodak Co.	658,221	610,192	8,040,000	7,398,000	12.21	12.12	13,305,000	1,178,000	8.9
	32	General Electric Co.	272,607	287,744	37,517,000	33,543,000	137.62	116.57	40,515,000	2,915,000	7.2
	39	International Business Machines	240,846	295,518	24,937,000	25,362,000	103.54	85.82	54,217,000	5,258,000	9.7
	82	Philips NV	107,226	83,842	5,690,600	6,439,000	53.07	76.08	25,229,400	390,000	1.5
	42	Tandy Corp.	225,052	219,673	NA	NA	NA	NA	3,793,800	316,400	8.3
ENTERTAINMENT & MEDIA	36	**Walt Disney Co.**	249,823	163,925	NA	NA	NA	NA	2,876,800	444,700	15.5
	93	**MCA Inc.**	91,366	104,521	2,072,809	1,925,830	22.69	18.43	2,589,623	137,254	5.3
	45	**Time Inc.**	196,579	190,026	NA	NA	NA	NA	4,193,000	250,000	6.0
	79	**Warner Communications**	110,428	79,579	2,696,494	2,353,115	24.42	29.57	3,403,563	328,142	9.6
FINANCIAL	44	American Express Co.	212,479	202,213	14,685,000	13,946,000	69.11	68.97	17,768,000	533,000	3.0
	58	ITT Corp.	151,321	124,331	14,634,000	13,555,000	96.71	109.02	19,524,854	1,018,875	5.2
	74	Loews Corp.	115,200	146,467	NA	NA	NA	NA	9,323,705	696,165	7.5
	78	Prudential Insurance Co.	111,319	70,320	NA	NA	NA	NA	29,019,000	867,000	3.0
FOOD	43	**BCI Holdings Corp.**	223,208	293,375	NA	NA	NA	NA	NA	NA	NA
	98	**Borden Inc.**	84,743	80,464	5,355,000	4,044,000	63.19	50.26	6,514,000	267,000	4.1
	41	**Campbell Soup Co.**	230,708	208,610	3,644,500	3,575,900	15.80	17.14	4,490,400	247,300	5.5
	72	**CPC International**	115,329	121,747	1,600,000	1,680,000	13.87	13.80	4,903,000	355,000	7.2
	13	**General Mills**	572,233	550,436	NA	NA	NA	NA	5,178,800	265,400	5.1
	38	**H.J. Heinz Co.**	245,264	218,574	3,053,000	2,781,000	12.45	12.72	5,244,000	386,000	7.4
	48	**IC Industries**	169,309	161,653	3,422,400	3,064,600	20.21	18.96	4,027,000	251,700	6.3
	17	**Kellogg Co.**	524,865	371,382	2,491,500	2,268,700	4.75	6.11	3,793,000	395,[illegible]	10.4
	22	**Kraft Inc.**	400,699	468,334	7,540,900	5,771,900	18.82	12.32	9,876,000	489,000	5.0
	28	**Nestle SA**	340,825	311,015	NA	NA	NA	NA	25,500,000	NA	NA
	1	**Philip Morris Cos.**	1,557,846	1,451,170	18,228,000	17,568,000	11.70	12.11	27,395,000	1,842,000	6.7
	19	**Pillsbury Co.**	473,895	495,150	5,350,000	5,510,000	11.29	11.13	6,191,000	69,000	1.1
	27	**Quaker Oats Co.**	344,414	306,219	NA	NA	NA	NA	5,329,800	255,700	4.8
	21	**Ralston Purina Co.**	436,606	478,031	NA	NA	NA	NA	5,868,000	523,000	8.9
	5	**RJR Nabisco**	839,589	894,237	11,721,000	11,338,000	13.96	12.68	15,766,000	1,209,000	7.7
	31	**Sara Lee Corp.**	278,141	256,599	NA	NA	NA	NA	10,424,000	325,000	3.1
	97	**United Biscuits (Holdings) PLC**	84,758	64,213	1,244,000	1,176,600	14.68	18.32	3,081,230	231,700	7.5
	53	**U.S. Dairy Associations**	161,372	177,897	NA	NA	NA	NA	NA	NA	NA
GUM & CANDY	69	Hershey Foods Corp.	122,809	111,010	NA	NA	NA	NA	2,433,793	148,171	6.1
	24	Mars Inc.	378,559	317,435	NA	NA	NA	NA	NA	NA	NA
	77	Wm. Wrigley Jr. Co.	112,462	96,183	528,034	493,026	4.70	5.13	781,059	70,145	9.0
MISCELLANEOUS	95	**Franklin Mint**	86,620	50,651	NA	NA	NA	NA	NA	NA	NA
	90	**Goodyear Tire & Rubber Co.**	95,027	124,972	5,908,000	5,590,000	62.17	44.73	9,905,000	771,000	7.8
	91	**Hallmark Cards**	93,913	61,032	NA	NA	NA	NA	NA	NA	NA
	67	**Hasbro Inc.**	134,308	135,511	933,293	977,850	6.95	7.22	1,345,089	48,223	3.6
	94	**Marriott Corp.**	88,523	69,507	NA	NA	NA	NA	6,522,200	223,000	3.4
	29	**U.S. Government**	311,299	307,059	NA	NA	NA	NA	NA	NA	NA
PHARMACEUTICALS	23	American Home Products Corp.	390,391	392,503	3,536,200	3,681,500	9.06	9.38	5,028,272	845,081	16.8
	60	Bayer AG	145,392	126,149	4,189,900	3,789,200	28.82	30.04	20,700,000	860,500	4.2
	26	Bristol-Myers Co.	358,934	333,488	3,949,800	3,594,800	11.00	10.78	5,401,200	709,600	13.1
	20	Johnson & Johnson	459,271	410,959	4,167,000	3,972,000	9.07	9.67	8,012,000	833,000	10.4
	46	Pfizer Inc.	182,059	171,686	2,651,000	2,483,000	14.56	14.46	4,920,000	690,000	14.0
	35	Schering-Plough Corp.	250,184	212,376	1,595,000	1,416,000	6.38	6.67	2,699,000	316,000	11.7
	15	Warner-Lambert Co.	558,115	553,314	1,864,000	1,747,000	3.34	3.16	3,484,700	295,800	8.5
RESTAURANTS	8	**McDonald's Corp.**	649,493	591,808	10,576,000	9,534,000	16.28	16.11	14,330,000	549,000	3.8
	81	**Wendy's International**	107,599	108,412	NA	NA	NA	NA	1,058,557	4,505	0.4
RETAIL	11	K mart Corp.	631,845	573,719	NA	NA	NA	NA	25,627,000	692,000	2.7
	73	Kroger Co.	115,263	108,207	NA	NA	NA	NA	17,659,730	246,644	1.4
	18	J.C. Penney Co.	513,497	495,924	14,771,000	14,117,000	28.77	28.47	15,332,000	608,000	4.0
	4	Sears, Roebuck & Co.	886,529	1,105,398	NA	NA	NA	NA	48,440,000	1,649,000	3.4
	96	Southland Corp.	86,134	60,015	NA	NA	NA	NA	8,125,008	(66,422)	(0.8)
SOAPS & CLEANERS	87	**Clorox Co.**	102,132	90,367	NA	NA	NA	NA	1,126,044	104,899	9.3
	30	**Colgate-Palmolive Co.**	279,813	259,284	2,486,930	2,286,007	8.89	8.82	5,647,460	54,022	1.0
	89	**S.C. Johnson & Son**	96,397	151,022	NA	NA	NA	NA	2,000,000	NA	NA
	2	**Procter & Gamble Co.**	1,386,710	1,500,268	12,423,000	11,805,000	8.96	7.87	19,336,000	1,020,000	5.3
	12	**Unilever NV**	580,656	543,242	5,757,000	4,457,000	9.91	8.20	30,948,000	946,000	3.1
SOFT DRINKS	25	Coca-Cola Co.	364,737	370,117	3,459,100	3,277,900	9.48	8.86	7,658,300	916,100	12.0
	6	PepsiCo Inc.	703,973	641,538	9,515,400	7,884,200	13.52	12.29	11,485,000	595,000	5.2
	75	Dr Pepper/Seven-Up	114,117	85,330	NA	NA	NA	NA	NA	NA	NA
TELEPHONE	100	**Ameritech**	83,445	68,763	NA	NA	NA	NA	9,536,000	1,188,000	12.5
	16	**American Telephone & Telegraph**	531,018	522,551	NA	NA	NA	NA	33,598,000	2,044,000	6.1
	63	**Bell Atlantic Corp.**	138,618	114,141	NA	NA	NA	NA	10,298,400	1,240,400	12.0
	62	**Nynex Corp.**	142,798	112,369	NA	NA	NA	NA	12,084,000	1,277,000	10.6
TOBACCO	57	American Brands	151,371	143,919	2,815,800	2,390,600	18.60	16.61	9,152,906	522,679	5.7
	83	B.A.T. Industries PLC	105,294	98,241	5,835,000	5,499,000	55.42	55.97	27,126,691	751,943	2.8
TOILETRIES & COSMETICS	54	**Beecham Group PLC**	153,307	113,918	1,023,900	903,000	6.68	7.93	3,796,286	647,743	17.1
	71	**Cosmair Inc.**	117,224	120,701	NA	NA	NA	NA	750,000	NA	NA
	85	**Gillette Co.**	103,831	131,437	1,166,300	1,100,900	11.23	8.38	3,166,800	229,900	7.3
	66	**Noxell Corp.**	134,876	111,871	414,287	377,152	3.07	3.37	489,463	43,579	8.9
	51	**Revlon Group**	165,239	171,402	NA	NA	NA	NA	2,400,000	NA	NA
WINE, BEER & LIQUOR	10	Anheuser-Busch Cos.	635,067	643,893	NA	NA	NA	NA	9,019,100	614,700	6.8
	61	Adolph Coors Co.	144,664	131,101	NA	NA	NA	NA	1,350,739	48,148	3.6
	92	E&J Gallo Winery	93,602	116,561	NA	NA	NA	NA	NA	NA	NA
	40	Grand Metropolitan PLC	231,574	232,055	2,711,880	2,468,958	11.71	10.64	8,994,150	815,944	9.1
	70	Seagram Co.	122,325	112,443	1,686,000	1,778,000	13.78	15.81	3,815,000	521,000	13.7
	86	Stroh Brewery Co.	102,878	128,294	NA	NA	NA	NA	1,430,000	NA	NA

Source: Sales and earnings are from public documents and reflect the latest fiscal year. Advertising expenditures are for calendar year only and are Advertising Age estimates. **Notes:** Dollars are in thousands.

National measured ad spending

by category and media

Category	Year	Total	News-paper	Mag-azine	News supp.	Out-door	Net TV	Spot TV	Net Cable TV	Net radio	Spot radio
Automotive	1987	4,414.4	936.8	678.2	15.7	58.0	1,044.1	1,422.3	45.2	57.9	156.3
	1986	3,754.4	734.5	597.3	20.9	51.0	921.3	1,189.5	40.4	49.5	150.0
Food	1987	3,417.9	112.1	376.7	13.4	15.0	1,544.7	950.1	76.2	69.4	260.4
	1986	3,307.1	108.7	389.5	12.1	10.1	1,445.4	934.0	64.7	62.3	280.4
Business, consumer svc	1987	2,243.2	175.3	490.8	26.5	56.2	569.3	643.6	40.2	64.7	176.7
	1986	2,148.9	176.2	484.4	21.2	57.4	553.5	661.0	29.4	60.8	105.1
Retail	1987	1,929.5	0.0	138.2	23.6	69.8	194.8	1,331.4	20.6	75.7	75.3
	1986	1,731.6	0.0	142.7	22.8	52.3	252.6	1,106.5	15.3	81.5	58.0
Entertainment	1987	1,879.2	18.7	30.4	2.6	40.5	654.0	1,070.9	27.7	4.0	30.5
	1986	1,686.2	18.3	25.8	1.3	36.8	591.3	960.9	27.9	5.1	18.7
Travel, hotels	1987	1,810.6	859.4	272.8	20.1	54.9	150.0	264.7	20.3	20.4	148.1
	1986	1,780.0	868.5	249.5	20.4	58.5	107.9	276.6	15.7	8.8	174.1
Toiletries & cosmetics	1987	1,752.7	26.7	455.4	13.8	1.5	889.4	263.1	54.8	24.7	23.4
	1986	1,671.3	24.5	390.7	12.0	1.5	894.9	242.3	54.6	27.9	22.7
Beer, wine & liquor	1987	1,341.1	64.7	207.7	9.1	69.5	529.5	244.4	40.0	23.9	152.2
	1986	1,413.7	77.9	225.1	12.2	62.8	547.7	250.8	34.6	24.6	177.9
Drugs & remedies	1987	1,324.1	17.3	142.0	5.9	13.2	757.9	237.0	38.5	77.8	34.5
	1986	1,245.4	19.8	147.7	5.0	11.2	752.5	173.5	28.6	80.0	27.0
Snacks, soft drinks	1987	1,075.5	25.4	43.0	0.9	9.6	451.5	410.5	42.6	43.6	48.4
	1986	1,053.0	29.9	49.3	1.9	10.3	421.2	420.7	43.2	31.2	45.3
Mail order	1987	870.3	66.5	407.1	140.6	3.6	29.6	156.6	41.2	25.1	0.0
	1986	782.3	60.0	363.5	122.4	2.4	37.3	136.8	39.3	20.7	0.0
Miscellaneous	1987	804.5	534.0	153.9	9.2	37.9	15.8	7.3	1.8	1.0	43.5
	1986	912.8	553.3	149.5	7.0	34.1	20.8	8.1	3.0	1.2	135.8
Apparel, footwear	1987	731.8	26.8	323.0	21.0	6.6	221.9	72.4	15.2	4.6	40.4
	1986	685.8	26.7	290.8	23.6	4.3	201.9	71.3	14.6	7.3	45.2
Publishing & media	1987	729.8	261.5	186.3	25.5	45.0	9.7	134.6	11.9	10.1	45.3
	1986	662.2	242.0	176.0	21.3	36.8	14.0	125.6	5.7	6.3	34.5
Insurance & real estate	1987	721.0	163.7	121.9	17.1	36.1	209.7	124.7	11.2	16.8	19.8
	1986	658.5	159.7	106.7	11.5	32.9	185.9	129.1	13.7	12.2	6.6
Cigarettes, tobacco	1987	620.9	85.2	333.6	27.0	165.0	1.2	5.5	0.4	1.6	1.3
	1986	728.8	129.0	321.8	64.8	190.1	1.3	15.3	2.9	1.5	1.9
Household supplies	1987	579.5	4.3	96.7	7.0	0.9	286.4	151.1	14.3	12.0	6.8
	1986	579.3	8.4	93.4	4.6	0.7	301.6	138.5	11.6	15.4	5.0
Computers, office equip	1987	563.8	68.3	241.6	2.3	2.5	167.9	32.4	7.7	17.8	23.2
	1986	613.9	69.7	219.1	3.5	3.1	226.8	37.4	7.6	16.4	30.4
Soaps, cleansers	1987	525.0	3.3	51.1	2.2	0.1	317.9	132.0	12.9	2.6	2.9
	1986	632.7	6.0	50.8	1.3	0.1	386.4	158.3	18.0	9.4	2.4
Sporting goods, toys	1987	488.5	6.9	89.6	1.8	0.2	132.4	227.8	22.1	1.7	6.0
	1986	476.9	7.1	75.5	1.8	0.3	145.3	223.1	16.7	1.8	5.5
Building materials	1987	372.6	78.6	76.7	3.9	2.2	92.8	80.1	9.3	7.7	21.3
	1986	350.9	67.4	76.1	4.8	1.4	97.2	72.7	7.6	6.5	17.2
Jewelry, cameras	1987	369.8	19.0	120.8	5.0	2.8	137.9	44.2	10.5	2.2	27.4
	1986	354.9	22.3	113.4	3.7	3.1	130.9	51.1	9.6	2.3	18.4
Electronic entertainment	1987	285.5	34.0	78.4	13.7	1.7	46.9	63.5	16.0	22.9	8.5
	1986	279.6	28.7	95.5	2.4	2.4	47.3	68.5	17.2	8.9	8.7
Gasoline, lubricants	1987	276.7	21.3	16.4	0.6	5.7	52.3	123.5	8.0	4.1	44.9
	1986	246.3	23.9	20.8	0.6	5.0	37.9	111.1	4.4	6.6	36.0
Household furnishings	1987	268.7	17.8	111.2	8.7	1.2	51.4	58.6	1.6	0.9	17.3
	1986	236.2	20.2	103.0	5.8	0.8	28.0	58.1	1.1	1.4	17.9
Pet products, food	1987	263.7	6.6	24.2	2.2	0.2	164.9	51.0	6.7	7.0	0.9
	1986	272.1	5.6	37.4	1.6	0.9	156.8	54.7	7.1	5.6	2.4
Horticulture & farming	1987	218.6	38.6	21.1	1.7	1.3	41.5	75.1	6.4	7.8	25.1
	1986	203.6	40.7	20.0	1.3	1.4	31.2	68.8	4.2	9.4	26.7
Industrial materials	1987	105.4	33.6	40.7	0.4	0.8	21.8	6.8	1.3	0.0	0.0
	1986	111.3	33.7	47.0	0.2	0.8	24.3	3.7	1.7	0.0	0.0
Business propositions	1987	98.5	73.4	14.6	0.6	0.9	0.0	3.4	0.4	0.0	5.2
	1986	116.9	86.3	13.5	0.2	0.9	9.2	1.0	0.3	0.1	5.3
Freight	1987	77.8	6.0	33.8	0.2	0.1	27.3	7.0	2.2	1.3	0.0
	1986	115.6	7.8	35.6	0.3	0.8	27.6	35.7	2.3	5.5	0.0
Aviation equipment	1987	14.1	2.1	11.9	0.0	0.1	0.0	0.0	0.1	0.0	0.0
	1986	12.3	2.9	9.2	0.1	0.1	0.0	0.1	0.0	0.0	0.0
TOTAL	1987	30,174.8	3,787.8	5,389.8	422.2	702.6	8,814.5	8,395.7	607.2	609.5	1,445.5
	1986	28,824.6	3,659.7	5,120.5	412.7	674.6	8,600.1	7,784.9	542.9	570.0	1,459.2



▨ Print

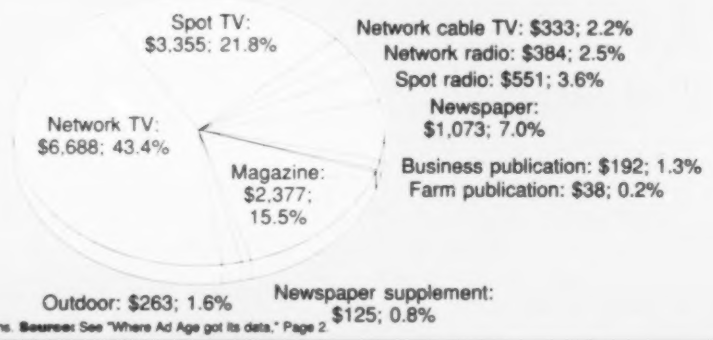
☐ Broadcast

Source: See Where Ad Age got its data, Page 2.
Note: Dollars are in millions.

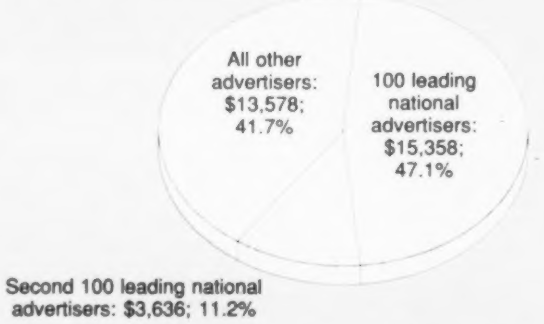
Total U.S. advertising dollars by media

	100 leading national advertisers					Second 100 leading national advertisers					All advertisers		
	Advertising expenditures			$ as % of U.S. media total		Advertising expenditures			$ as % of U.S. media total		Advertising expenditures		
Media	**1987**	**1986**	**% chg**	**1987**	**1986**	**1987**	**1986**	**% chg**	**1987**	**1986**	**1987**	**1986**	**% chg**
Newspaper	$1,073	$933	15.0	28.3	25.5	$292	$302	(3.5)	7.7	8.3	$3,788	$3,660	3.5
Business publication	**192**	**180**	**6.8**	**8.5**	**8.3**	**94**	**82**	**14.2**	**4.2**	**3.8**	**2,231**	**2,157**	**3.4**
Farm publication	38	35	7.9	22.8	21.5	19	18	9.2	11.5	10.7	166	163	1.7
Magazine	**2,377**	**2,297**	**3.5**	**44.1**	**44.9**	**652**	**597**	**9.2**	**12.1**	**11.7**	**5,390**	**5,120**	**5.3**
Newspaper supplement	125	139	(10.2)	29.5	33.6	57	52	9.3	13.4	12.6	422	413	2.3
Outdoor	**263**	**282**	**(7.0)**	**37.4**	**41.8**	**39**	**40**	**(2.6)**	**5.6**	**5.9**	**703**	**675**	**4.2**
Network TV	6,668	6,403	4.2	75.7	74.4	1,023	936	9.2	11.6	10.9	8,814	8,600	2.5
Spot TV	**3,355**	**3,226**	**4.0**	**40.0**	**41.4**	**1,099**	**1,034**	**6.3**	**13.1**	**13.3**	**8,396**	**7,785**	**7.8**
Network cable TV	333	317	5.1	54.8	58.3	76	62	23.5	12.6	11.4	607	543	11.8
Network radio	**384**	**337**	**14.0**	**63.0**	**59.1**	**83**	**87**	**(4.0)**	**13.7**	**15.2**	**609**	**570**	**6.9**
Spot radio	551	528	4.2	38.1	36.2	204	170	19.7	14.1	11.7	1,446	1,459	(0.9)
Subtotal measured media	**15,358**	**14,676**	**4.6**	**47.1**	**47.1**	**3,636**	**3,379**	**7.6**	**11.2**	**10.8**	**32,572**	**31,145**	**4.6**
Unmeasured advertising	13,036	12,597	3.5	NA	NA	2,153	2,045	5.3	NA	NA	NA	NA	NA
Total	**28,394**	**27,273**	**4.1**	**NA**	**NA**	**5,789**	**5,424**	**6.7**	**NA**	**NA**	**NA**	**NA**	**NA**

100 leaders' measured media spending



All advertisers' measured media spending



Note: Dollars are in millions. **Source:** See "Where Ad Age got its data," Page 2.

Leaders

(Continued from Page 2)

and prescription drug divisions came Cholybar, a candy-flavored medicine designed to reduce blood cholesterol levels. Cholybar and Lopid still await FDA approval for anticholesterol-specific designation.

The four companies that dropped from the Top 100 in 1987 were all buyout targets. The climate for buyouts was particularly inviting after the stock crash of October 1987 dropped many stock prices 50¢ on the dollar. Interest rates also were relatively low for borrowed funds.

Sterling Drug, No. 37 in 1986, was bought for $5.2 billion by Eastman Kodak Co. The deal vaulted Kodak to No. 7 in ad spending from No. 34 a year earlier. American Motors Corp., No. 72 in 1986, was bought by Chrysler Corp. and helped propel its new parent to No. 14 from No. 20 in 1986. Federated Department Stores, No. 98 in 1986, was purchased by Campeau Corp., a Second 100 advertiser. Zale Corp., the retail jeweler, was purchased by Peoples Jewellers Ltd., Toronto.

Media advertising has virtually been eliminated by Peoples, a company that prefers prime mall locations and in-store displays to media advertising.

Two 100 Leaders have escaped hostile takeover attempts in the past two years. Goodyear Tire & Rubber Co., No. 90, fended off Sir James Goldsmith two years ago, and No. 85 Gillette Co. paid greenmail to Revlon's Ron Perelman to stay independent last year and won a proxy fight this year against Coniston Group, a New York investment group that sought to stack the Gillette board with directors who would then sell the company.

The buyout of JWT Group by British holding company, WPP PLC, changed the agency landscape among a number of 100 Leaders. Goodyear, still reeling from its takeover battle with Sir James, warned WPP that it would withdraw its business from J. Walter Thompson if it succeeded in buying the agency's parent. When WPP completed the deal, Goodyear shifted much of JWT's domestic tire account business to Young & Rubicam.

IBM Corp., No. 39, pulled its account from Lord, Geller, Federico, Einstein when two LGFE principals, largely responsible for the account, broke away after the WPP buy. The defection resulted in a suit filed by WPP to stop the breakaway group from taking clients from LGFE, which had been part of JWT Group.

> *Ad spending gains for first half 1988 indicate this year may return the 100 Leaders to the more stellar growth years of the 1970s and early '80s.*

A number of agency-client relationships were strained over conflicts resulting from buyouts and mediocre advertising. The stage also may be set for a possible revamp of the compensation system.

Nestle S.A. announced early this year it was considering inserting a compensation clause in contracts whereby agencies would pay Nestle should the advertiser have to find a new agency as a result of merger-related conflicts.

RJR adopted an incentive compensation system in 1987, giving a 20% bonus to agencies doing "outstanding" work. A 10% bonus is given for "very good." Average and poor are not given bonuses, but paid an undisclosed, fixed commission.

General Foods adopted a similar compensation deal for its U.S. business this May. Under the system, it may award up to 3 percentage points more in revenue for outstanding advertising. Based on an A, B or C grading system, the top percentage is believed now to be 16.3%.

Mars Inc., No. 24, carved out new guidelines for conflict. It fired Leo Burnett USA because it worked for H.J. Heinz Co., which became a Mars competitor overnight with the acquisition of Recipe dog food brand from Campbell Soup Co. Burnett handled none of Mars' U.S. pet food products, but Mars wanted its U.S. agencies to be capable of handling its products worldwide.

Mars also pulled $10 million in Milky Way candy billings from Backer Spielvogel Bates because Mars was miffed by a financial ad published by BSB's new parent, Saatchi & Saatchi PLC. The ad mentioned BSB's profits had risen 25% since the recent Saatchi merger. It later turned over the former Burnett business to BSB. Mars also forced Saatchi in London to resign its Carnation pet foods account there because of Backer's work on several Mars pet foods.

New edifying lingo entered the advertising lexicon in 1987: "Microbubbles" came from Cosmair Inc., No. 71, as in "microbubbles" give a smoother texture to the new Teinte Majeur cream compact and the loose powder makeup, Poudre Majeur; and "laserize," as in No. 89 S. C. Johnson & Son's Captain Raid who "laserizes" bugs dead.#

Because of a typographical error Franklin Mint was ranked in its box 96; it should be ranked 95.

Index to Advertisers

Accuracy In Media 90
Advertising Age 153,154/155,157
Advo Systems 68/69
American Management Association 92
Analytic MicroSystems Inc 130
Arbitron Company 109
Asahi Shimbum 94
Baltimore Sunpapers 97
Barron's 17
The Bettmann Archive 135
Booth Newspaper 115
Boston Globe 3
Business Week 41
CBN Cable Network .... Cover 4
Cabletelevision Advertising Bureau 72/73
Cahners Publishing 45
Cellular Directory 104
City of San Diego 110
A. Colish Inc. 71A-B
Collision 116
Consumer Behaviour Studies Inc. 94
Country Living 26/27
Crain's New York Business 113
Cycle-Sat 129
DeLalla-Fried Associates 134
Diario Las Americas 143
Facemakers, Inc. 106
Family Circle 33
Fasteners for Retail 86
Fortune 46/47
Forum Personnel Inc 116
Frankel & Company 125
Galavision 91
Gardner Associates 84
Good Housekeeping 38/39
Government Liaison Service 86
Graphic Calculator Company 136
G.S. Lithographers 67A-B
Hammermill Paper Co 49-50
Harrisburg Patriot-News 118
Henschel-Steinau, Inc 111
Historic Preservation 106
Historical Documents Company 110
Home Magazine 79
Houston Chronicle 7
Ingels, Inc. 102
Ketchum Public Relations 28
Knobby Krafters 118
LaSalle Industries, Inc 145
Leading National Advertisers 32,62,86,100,142,149,151
Lears 107
Lifetime 64/65
MARC 37
Market Analysis & Information Database 9
May & Speh, Inc 117
Money 82/83
Ms. Magazine 85
Name Works, The 138
National Banner 84
National Enquirer 21
Nation's Business 89
New Orleans Times-Picayune 123
New York's Capital Newspapers 108
Newmark & Company 128
Newsweek 22/23
Nickelodeon 137,139,141
A.C. Nielsen Co 18/19,105
Outside 101
Parade 25
Patriot Ledger 114
PC Magazine 60/61
Penton 63A-B
Perrygraf 84
Popular Mechanics 42/43
Premium Channels Publishing Company Inc. 120
Progressive Grocer 112
Providence Journal Company 100
Public Access, Inc 88
Raleigh-Durham Newspapers 96
Reibold Company, Inc 124
James River Corporation 55-58
SAMI/Burke Inc 81
Sassy Magazine 87
Satellite ORBIT Magazine 119
Saxon Personnel 96
Scott Plastics Co 132
Ruth Sklar Associates, Inc 92,124
Smithsonian 52/53
Smith's Fifth Avenue 122
Sony Corporation 103
Spectrum 13
Sporting News 75
St. Petersburg Times/Evening Independent 36
Sunset 148/149
3 Strikes Promotion 88
Travel-Holiday 93
Turner Broadcasting System 29,30/31,95
TV Guide 5
Univision 99
USA 800 134
USA Today 14/15
U.S. News & World Report 34/35
Viewfacts Inc. 120
Walker Research, Inc 98
Wall Street Journal .... Cover 2,2A/2B
Wall Street Journal Radio Report 11
Martha Ward Associates, Inc 140
Washington Post, The 127
WATS Marketing of America 121
Western Publishing Company, Inc 131
Western Union 122
Westgate Research, Inc. 44
Whittle Communications 77
Windham Hill Music 126
World Monitor .... Cover 3
Yellow Pages Hotline 90
Young America Corporation 133